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From the editors

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Winter 2011

A quarterly review of revolutionary politics and theory

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This issue of Permanent Revolution appears during another round of the financial crisis. In Europe Ireland has replaced Greece at the centre of the storm. Maureen Gallagher reports on the impact of the crisis there.

On the other side of the world the US and China have been squaring up to a currency battle that could have long term implications for relations between two major world powers. Keith Harvey and Bill Jefferies examine the roots of the friction that lie in growing uneven developments in the world economy.

Christina Duval analyses the recent mass movement in France against pension reform, and interviews participants in the wave of struggles which led to mass strikes paralysing the country.

Can we learn from this in Britain? The mass student demonstrations and occupations seem to suggest we can. In our editorial and briefings we attempt to cover the varied aspects of a growing struggle against the Con-Dem Coalition – the role of direct action and violence, the anti-cuts movement, how the attacks on welfare and education will affect our future.

Two other briefings look at far-reaching political developments in the US and one small island off its coast. In the US the growth of the Tea Party movement has polarised politics sharply, while the new measures in Cuba adopted by the ruling party will significantly accelerate the restoration of capitalism in the economy.

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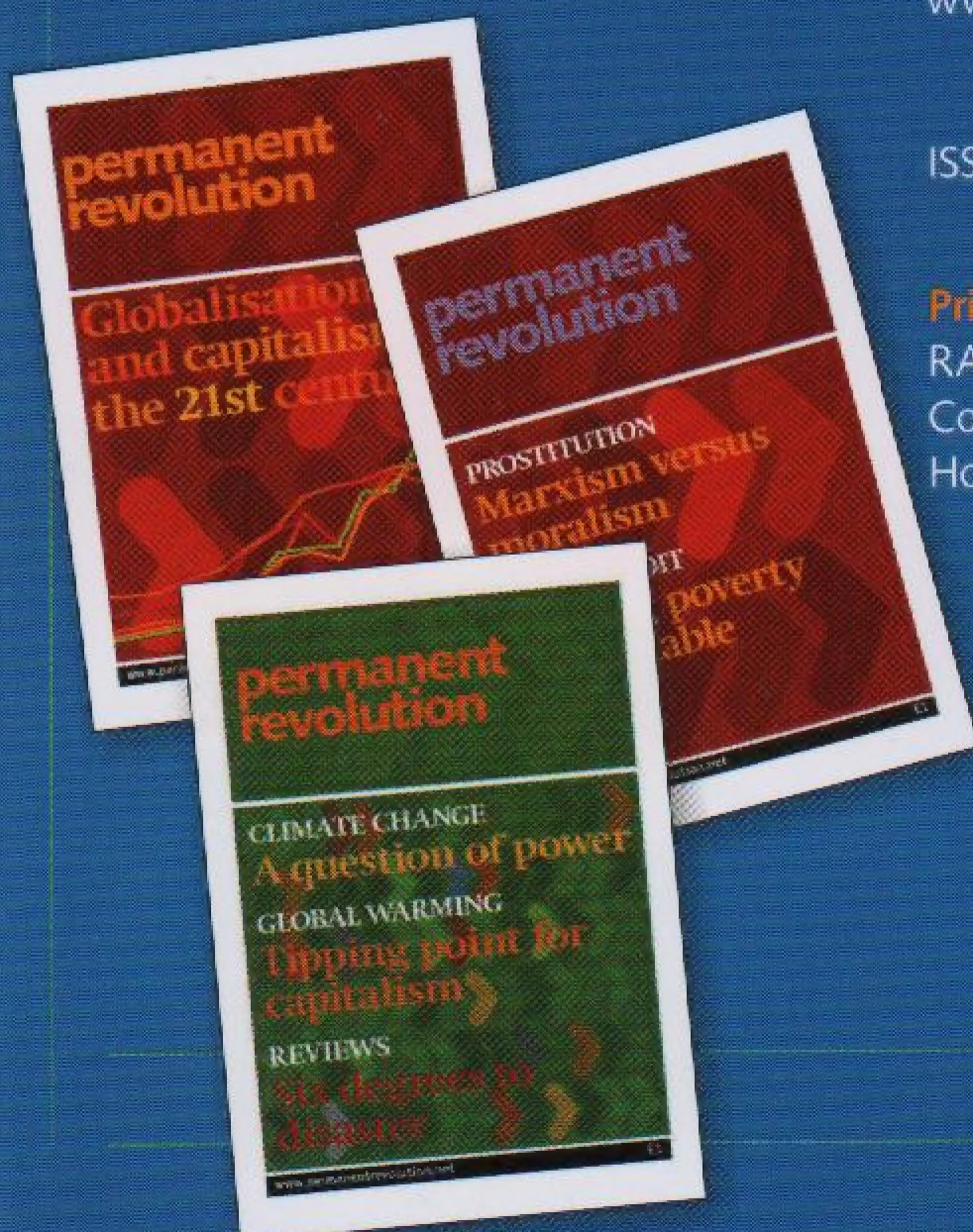
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The catastrophic slump in Ireland over the last two years has seen unemployment double, wages and jobs slashed, benefits pared back. Yet the politicians who are pushing through these measures with the help of the IMF and EU are the same ones who steered the economy onto the rocks as a result of their reckless promotion of cheap bank loans to venal property developers. Maureen Gallagher exposes the faultlines of Irish capitalism and what may lie ahead

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Student resistance shows the way forward against the cuts

November 10, 2010 should have a big red ring around it in every activist's diary. It was the day that the movement of resistance against the Con-Dem Coalition got onto the front foot.

This was the day that upwards of 55,000 students marched through London protesting the massive hike in University fees and the abolition of the Education Maintenance Allowance.

Students and lecturers were united in opposition to the 80% cuts in central government teaching grants to Universities which made the huge fee hikes "inevitable".

The demo astonished everyone – the NUS, the government, the left and especially The Plod who somehow forgot to protect their masters' Tory headquarters at Millbank.

But it didn't end there. A subsequent call for a national day of action on 24 November went viral, especially amongst school students and FE colleges.

Universities up and down the country were occupied. Facebook sites organised thousands of school students to turn up in Trafalgar Square at mid-day.

All over the country school students defied the attempts of their teachers to keep them at their lessons and walked out with hand made placards. Thousands marched in small towns all over England and Wales.

The demonstration and arguments of the students also changed the terms of debate. The argument became not "the fees should be lower" but "education should be free, it is a right, not a privilege".

Labour under Ed Miliband, and his little echo Aaron Porter president of the NUS, have been arguing instead for a Graduate Tax as a more "progressive" option.

It's not – it still makes students pay for their education, something that should be paid for out of general taxation, and a progressive general taxation at that, one that makes the likes of the rich Eton educated Cameron and Osborne, the banks and big businesses shoulder the main burden.

The Daily Mail cries why should a school canteen worker pay towards the education of those stand to gain from it financially?

For the same reason that we all pay taxes to support the NHS even though many do not use its facilities from one decade to the next and some depend on it all their lives.

It is called social cohesion, egalitarianism and solidarity. No doubt in due course the *Daily Mail* will be arguing that we should not pay for the NHS either.

Paying for universal services out of general taxation goes against the politics of the right which want division rather than solidarity.

Of course, they also want less demands on the state so

that corporation tax and capital gains tax can be lowered. The right to amass and distribute profits as bosses see fit is the only right that these people recognise.

Making headlines

The November 10 student demonstration dominated the headlines for a week. Why? Because it involved direct action against the building which housed the Tory Party headquarters. The police were outnumbered and swept aside, windows and doors busted in to gain access to the offices and join a roof protest.

Lesson Number 1 for the resistance movement: if you want your opposition to be taken seriously, take over a bit of the bosses' property.

Let's remember all the protests where tens of thousands march peacefully down the road and nobody cares or comments.

The media went into overdrive, the yellow press publishing a series of "wanted posters" and calling for dire retribution.

The paid lackies on the news programmes demanded that student leaders "condemn the violence", which of course Aaron Porter duly did, declaring it "despicable" and worse.

Even Claire Soloman, President of London ULU, who otherwise has played an excellent role in organising protests, bowed to the pressure saying she could not "condone" the Millbank violence.

John McDonnell MP stood out from the crowd, early on declaring that a few broken windows were nothing compared to the violence this government is planning to inflict on the old, the sick, the unemployed and all those dependent on benefits.

That should be exactly the socialist response to these ruling class hypocrites and their media supporters. They want to disarm us while they march through the welfare state wreaking havoc with their cuts.

The fact is that the only way this government will be stopped from pushing through its spending cuts programme will be by a mass movement that has no fear of taking direct action and "unlawful" action at that – be it university occupations, sit-ins at MPs surgeries and government offices, wildcat strikes and even general strike actions, all of which are technically illegal in "democratic Britain".

In such struggles "might is right" as the Poll Tax movement of the late 1980s, culminating in mass rioting in Trafalgar Square, showed.



That was what defeated Thatcher's hated tax and fatally weakened her premiership – fear of mass disorder. We must do the same this time, only to a much weaker Coalition government.

Police violence

Every new generation coming into struggle has to learn again the role and nature of the police. The 24 November demonstration in London taught thousands of young school students the contempt with which the police hold any attempt at militant mass protest.

Having been caught napping on 10 November the Metropolitan Police were well prepared on the 24th to show how tough they were. Police horses and riot cops at the ready, they let a spontaneous demonstration march down Whitehall towards parliament in order to “kettle” it and then hold hundreds of school students and other demonstrators in the freezing cold for up to eight or nine hours.

And then they have the cheek to complain when frustration is vented out on a solitary empty police van, probably left deliberately there for just that purpose and to provide the papers and broadcast media with their pictures.

We will see more of this “collective punishment” meted out to protesters with the sole aim of discouraging protests. Hopefully, it will have the opposite effect on the school students and others – as the old slogan goes “don’t get angry, get organised”.

The new movement needs to quickly get its act together. We are already being targeted by ACPO’s “domestic extrem-

ism” unit and plans are afoot to send numbers of young people to prison as a lesson to all those who challenge the government’s authority.

We must learn from the experienced militants of the anti-globalisation and climate camp protesters: protect our demonstrations and occupations, take measures to avoid falling into police traps and kettling. Defend those arrested and mount militant protests at the courts.

A change of pace

November saw a change of gear in the struggle against the Tory-Lib Dem Coalition. Alongside the student movement a new and large anti-cuts movement is growing. In virtually every town and city people are coming together in the realisation of the devastating cuts being planned to their local services, services like healthcare in the community that the old and sick depend on.

Up and down the country local councils – Tory, Lib Dem and Labour – are sharpening the knives, pushing through budgets that will do violence to the poorest members of our communities. It is up to us to stop them.

The twelve hundred people who came to the Coalition of Resistance conference to fight the cuts at the end of November reflect a growing movement on the ground.

If the far-left can overcome its normal sectarian differences and work together in a united campaign we can have some influence in it.

Otherwise we will be swept aside, pushed helplessly to the sidelines.

LOCAL GOVERNMENT

Social services under the axe as cuts begin to bite

LOCAL GOVERNMENT jobs and services throughout England and Wales have been the first to be hit as a result of Westminster spending cuts. The Comprehensive Spending Review in October saw central block grants to local councils slashed by 28% over four years as part of the Con-Dem's plan to slash the public deficit by £108bn.

The Local Government Association (LGA) has estimated that councils face, on average, an 11% cut in funds next year, 6.5% in 2012-13 and 0.9% and 5.6% in the two years after that. It now puts the estimated job losses expected to result from this over the next four years at 140,000. Already councils are sending out mass redundancy notices.

It will be largely up to councils to decide what areas of spending get the biggest cutbacks as central government has removed much of the ring-fencing previously attached to Westminster grants.

"Low visibility" areas like social care, especially adult care, are already being hit harder than other sectors. Excluding client contributions, English councils spent £14.4bn on adult care, in 2008-09. The umbrella body, London Councils, calculates that government grants for adult social spending will fall by £3bn a year in the capital alone.

And this when councils need to spend an extra 1% a year in real terms from 2011-15 to meet the demographic pressures of an ageing population.

Frontloading of cuts means the deepest cuts must be made by March 2011. Councils find out in early December what their specific grants will be and council budgets are being drawn up now to push through the cuts. Councils in poorer areas will be badly hit because they earn less from council

tax and rely more on formula grant.

All councils, whether Tory, Lib Dem or Labour-led, have rushed to swing the axe, announcing redundancies, closing programmes and centres, reducing eligibility for services and social care services are among those feeling the brunt. Councils' first reaction to the election of the Con-Dem government in May was to move swiftly to "tighten" the eligibility criteria for receiving services. By October 80% of councils had said they were no longer meeting the costs of care for adults with "moderate" needs, only "substantial" and "critical"; many had moved to meet only "critical" needs.

Moving the eligibility goalposts is a general weapon deployed to deprive people of services. Nationally, the government is implementing the work capacity assessment (WCA), designed to kick disabled people and others not fit to work off Incapacity Benefit and on

job it is to provide services – social workers, home care assistants, care home staff.

Birmingham Council set the tone back in September when it issued redundancy notices to 26,000 staff – more than half of the authority's total workforce of 50,000 – in a bid to get them to accept drastic changes to their contracts or face the sack.

Derbyshire Council announced plans in November to cut 2,000 jobs over the next five years and the council's 10,500 staff in children's and adults' services, including frontline social workers, have been invited to take voluntary redundancy or early retirement.

Brian Strutton, national secretary for public services at GMB, says up to one in five of the 250,000 workers employed by local government in social care are facing redundancy. Even the employers' body the LGA admit that at least 25,000 social services jobs are "under threat" in Britain not including Scotland.

Those who keep their jobs face a pay freeze along with all public sector workers (in a period where RPI inflation is over 4%) and from 2012 a likely increase of 3% in their pension contributions, translating into a £75 a month increase for

Beyond the short term reduction in services the government aims to take advantage of this crisis to push through long term structural changes

to Jobseeker's Allowance, which is worth about £25 per week less and entitles people to less support.

By summer 2011, 10,000 claimants Incapacity Benefit claimants will become the first tranche of the 1.5 million reassessments. Charities estimate the numbers deemed fit to work will rise by 7-10%.

If many councils are artificially restricting demand for social care services they have also set about cutting the supply of those whose

those on average salaries.

Beyond the short term reduction in services the government aims to take advantage of this crisis to push through long term structural changes in the way provision is delivered and who pays for it. The government has made clear that in the lifetime of this parliament it expects councils to get rid of all in-house adult care provision and contract it to the private sector.

In the last eight years the proportion of care homes in council

hands has declined from 45% of the total to 25% and this may go altogether in the next five years. Given that this instruction goes hand in hand with proposals to deregulate the private care home sector, with fewer inspections and less rigorous standards to adhere to, this can only alarm older people and their families.

The demographic pressures are intense, over the next 20 years, an estimated 1.7 million more people will have a care need; of the present cohort of 65 year olds, one in five will need care costing more than £50,000 a year.

It is likely that the review of long term funding for adult care will conclude, next July, that the burden of financing this must fall heavily upon the individual – either through a system of private insurance, through upfront cash payment on retirement, or a mixture of both.

The Con-Dem vision for the social care sector is clear: radically pruned-back state-funded provision, to be replaced by lower quality services commissioned from the private sector; more of the care burden falling on individuals or their families; more care available for those with private funds to “top up” state provision.

The building blocks for this are in place, with personalised care budgets that councils can currently provide to people based on an assessment of their individual need. Currently about 25% of people take these budgets to manage their own care. The aim is to increase this to 40%. People can then choose which services to buy, and if they are wealthy enough can choose to pay more for better quality services. This will further institutionalise inequalities in the provision of services.

Against this, socialists and trade unionists should argue for no cuts in present provision, a halt to privatisation and a planned expansion of care, especially adult and older people's care, in line with demographic changes. How should this be paid for?

Out of general taxation. Instead of further cuts to corporation tax of

3% over the next five years we should demand a hike at least back to the pre-1997 days of 30%, a ruthless clampdown on tax avoidance, a multi-billion pound levy of the City and swingeing land and wealth taxes – all of which would raise enough to pay for the welfare and social service cuts tabled by the government and improve the services for the old and vulnerable.

But to get to a position where this is possible local councils must refuse to pass budgets that implement these cuts. Instead of pathetic moralising about “caring cuts” that do “as much as possible to

protect the frontline services” Labour-run councils must set budgets drawn up with local unions and user groups based on community needs.

Will they be deemed illegal? Yes. Will Whitehall seek to take over the administration of the budget? Yes. But if this happens then the elected councilors must join the strikes and occupations of threatened youth centres and day care centres, and we must spread them throughout the country to bring irresistible political pressure on Westminster to find the money to reverse the cuts programme.

Keith Harvey

COALITION OF RESISTANCE

Build on an open and democratic beginning

MORE THAN 1,000 anti-cuts activists squeezed into Camden Town Hall in London on the 27 November for a national conference called by the Coalition of Resistance (CoR). The timing could not have been better.

Taking place a month after the Con-Dem Coalition spending review, as the drastic cuts were being felt up and down the country, the Conference was energised by the militant student protests that had rocked the country in the last 10 days. As a result the main hall was packed, and platform speakers had to move on to an overflow room.

The opening speakers' platform – Mark Serwotka from the PCS, Bob Crow RMT leader, and the newly elected general secretary of UNITE Len McCluskey – called for an alliance of resistance against the coalition. McCluskey declared to applause that he was about to instruct his Area Committees to support and build the local anti-cuts campaigns.

A French railway workers' leader, Christian Mahieux, spoke of the mass struggles that had just taken

place in France and the lessons, both strengths and weaknesses, that the movement had to take from the struggle.

John McDonnell, Labour MP, gave a rousing speech in support of the militant student actions and called for the anti-cuts movement to imitate its direct action struggles and called for a European-wide day of action and general strike. He received a standing ovation. Clare Solomon, president of ULU students union, spoke about the student struggle while familiar faces from the Stop the War movement, Lyndsey German and Andrew Murray, also gave us their views.

The Conference then broke down into workshops, six before and six after lunch. “Organising against the cuts locally” and “CoR: how and why” were well-attended and democratically run. The first had about 200 people at it and showed the geographical spread of the movement with reports from anti-cuts groups from Andover to North Yorkshire.

Apart from the useful exchange of information about what was going on, two themes emerged. One

was about “no cuts” policy and how we interpreted it – because clearly we are in favour of cuts to Trident, the armed forces and the blatant waste that goes on in some councils. I mentioned our local ALMO, “Lambeth Living”, where consultants are paid up to £4,500 a week for months at a time – this in a borough where 49% of council housing fails to come up to the “decent homes” standard.

We want a No Cuts budget based on need, and that means tackling inflated management salaries, bringing ALMO’s back in-house and opening the council accounts and expenditure to the unions and community so we can examine just how they propose to spend our money.

Another political argument developed around how we related to Labour councils and how broad the anti-cuts coalition should be. This provoked the most heated discussion of the day. The Socialist Workers Party, in the guise of Right to Work Campaign (RtW), is very keen on a broad coalition involving Labour councillors where possible – examples were given of councillors opposing the cuts.

The problem, of course, is that it is very easy to appear as anti-cuts when you are not in charge of the council. But in many areas of the

The workshop on how the CoR should organise ended up tackling head on the question of why both locally and nationally we had competing anti-cuts organisations – CoR, RtW, and potentially the National Shop Stewards’ Network (NSSP)/Socialist Party as well. The CoR organisers had already approached both the Peoples Charter and the RtW campaign to organise together.

Fortunately, leading SWP member, Chris Bambery, was at the meeting in his role as secretary of the RtW campaign. He told the conference no-one should act as if they were the leadership of this movement as this would be seen as sectarian by the anti-cuts movement itself. While people stifled their gasps of disbelief, given the SWP’s cynical record of manipulation in campaigns, he went on to say that while the RtW (aka SWP) was in favour of unity in action “we had to keep our own identities”.

There then followed a discussion where people explained how in Manchester there were four anti-cuts committees, in Lambeth three, in Lewisham at least two, and how “keeping our identities” was just an excuse for having separate, party-controlled campaigns.

No one is suggesting that the

CoR to be an umbrella organisation built from the bottom up and controlled by the anti-cuts committees themselves. This seemed to be something the organisers accepted and was enshrined in some of the resolutions/declarations.

Plans for the future include a co-ordinated week of protest from Monday 14 February and building for the TUC protest on 26 March 2011. A policy-making conference for CoR before July 2011 and a “No Fees No Cuts” student conference to try and unite the divided student campaigns was agreed.

This Conference was a meeting organised by a small group of people that included Counterfire (the expelled SWP grouping around Lindsey German and John Rees). It didn’t have a massive apparatus behind it and was willing to apologise for some shortcomings – like the lack of a crèche and disabled access in some areas.

But it was certainly more democratic and less controlled than RtW conferences and recent NSSN events. It had its weaknesses – the resolutions arrived on the day, discussion time was limited; in that sense it was literally going through the motions.

In terms of its composition anyone who has been around the left for some-time would have recognised many old familiar faces – it sometimes had that unfortunate feeling of a day out for the left, where everyone says “hello, how are you” and swaps papers and leaflets.

But in a sense this reflects the start of any new movement – the first to move and organise are the established left and trade union activists. As the cuts start to bite and the local demonstrations and actions get bigger we should expect to see many new faces at future events, as we are seeing on the mass student protests.

If CoR manages to develop itself as an open and democratic forum where a mass anti-cuts movement can meet and discuss, decide strategy and turn it into action, then the Con-Dem Coalition should have every reason to be worried.

Stuart King

For many activists the idea of involving these cutters in an anti-cuts movement was ludicrous and the feeling was that they excluded themselves

country it is Labour councils that are carrying out the government’s dirty work, preparing budgets to slash services for the young, the old and disabled.

For many activists present the very idea of involving these cutters in an anti-cuts movement was ludicrous and the overwhelming feeling of the meetings was that those making the cuts excluded themselves and were the enemy not allies of the movement.

various political groups dissolve themselves, just that they don’t disrupt the building of a united anti-cuts movement through sectarian manoeuvring, something we are facing both nationally and locally and something we need to overcome.

This was the first national meeting of the anti-cuts movement. It was open and democratic, by and large. There was a clear desire from the base of the movement for the

PUBLIC HEALTH SERVICE

Sponsored by McDonalds – I'm loving it!

HAVING ANNOUNCED the largest shake-up to the NHS in 60 years, the coalition has now signaled its intention to uncouple public health from healthcare in a second health white paper published at the end of 2010.

Public health functions, currently the responsibility of primary care trusts and regional health organisations, are to be transferred to a national public health service and delivered through local authorities.

Hurrah, shout good old-fashioned public health specialists. Major health gains have always been more about drains and houses than pills and operations, so give the responsibility back to those who run local services, they say.

Health, as the World Health Organisation declared in 1948, is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity. Since health services are not going to be able to deliver such a nirvana, responsibility should lie with the politicians.

John Middleton from the Faculty of Public Health argued that, "many of us have argued for a long time that it isn't who your doctor is, it's who you vote for, that most affects your health – locally and nationally."

It is likely that local authorities will have health and well-being boards, or maybe health and happiness boards. What a wonderful idea, and timely, since David Cameron has just announced his intention to start measuring how happy we are. So your local council – having rid itself of any responsibility for actually running schools, providing housing or any other useful services – can now busy itself with commissioning ways to make us all healthy and happy.

The white paper on public health is strategic, setting out a direction of travel with less than detailed maps of how to get there. In essence, the responsibilities for major public health programmes such as immunisation, screening, health visiting in children's centres, will fall to a national public health service and be delivered through local authority contracts.

The phrase corporate responsibility should be a warning. The food, drinks and tobacco industry do not have a glorious history of responsible behaviour

They will receive a proportion of the NHS budget in order to carry out these functions, with ring-fenced money. Following the dissolution of dozens of health "quangos", many of which were actually independent advisory bodies, a new raft of organisations are being set up to guide policy in the area.

The Health Protection Agency, for example, is an arms-length body that provides independent scientific advice on the control of infectious diseases and other hazards such as chemicals and radiation.

It is being absorbed directly into government as part of the National Public Health Service. Other independent advisory groups will be re-created as "stakeholder advisory groups". Previously many had been official public bodies that reported to and advised ministers, often pointing out uncomfortable truths about policies and failures to deliver. In their new form they will simply advise the department of health with no right to be heard by the government itself.

Turning its back on these bodies, the government has established a new raft of national committees with the aim of "creating a new vision for public health". These are to be coordinated by the Public Health Responsibility Deal.

A "Responsibility Deal", according to the government, is a way of responding to challenges that "can't be solved by regulation and legislation alone". They are partnerships between the government and industry "that balance proportionate regulation with corporate responsibility."

The phrase corporate responsibility should be a warning to anyone concerned with health. The food, drinks and tobacco

industry do not have a glorious history of responsible behaviour.

They spend billions advertising, lobbying and sponsoring pseudo-science to try and undermine evidence of harm from their products – whether it is tobacco, alcohol, trans-fats or salt. If they eventually concede that there may be some risks, they offer voluntary codes to improve their products or restrict advertising, and then spend more money and effort in ensuring that little changes.

In 2007 some of the major food producers in the USm including Coca-Cola, Burger King, Kellogg, Mars, Nestlé and PepsiCo, "agreed not to advertise food and beverages on television programs, websites or in print media where children under age 12 could be considered a target audience, except for products that met specific nutrition criteria."

An independent analysis of subsequent activity carried out by Yale University found that the amount of advertising directed at children and young people had actually increased. The study found

that children were more exposed to fast food ads on TV.

McDonald's and Burger King pledged to reduce unhealthy marketing to children, but between 2007 and 2009 the number of adverts children (aged 6 to 11) saw increased by 26% for McDonald's, 10% for Burger King, and 59% for Subway! And of over 3,000 possible kids meals available in fast food places only 15 met nutrition criteria for children.

Poor diet is a major factor leading

family and individual responses. I will now be pressing the commercial sector to provide actual funding behind the campaign, and they need to do more. If we are to reverse the trends in obesity, the commercial sector needs to change their business practices, including how they promote their brands and product reformulation."

Dream on, Andrew. The change4life budget was around £50m. The exact advertising spend of the food companies in each

McDonald's, Pepsi and Kellogg's. So public health policy on alcohol is to be guided by Jeremy Beadles of the Wine and Spirits Trade Association, while the Physical Activity network is chaired by Fred Turok from the Fitness Industry Association.

Even before these organisations have started to influence public health policy in a formal sense, government decisions have already shown the commitment to the interests of industry rather than the public.

This is justified by Lansley who says he wants to replace "lecturing and nannying" with "nudging individuals in the right direction". (usually, the checkout to spend more money).

The BMJ listed the public health initiatives that have already been scrapped or threatened:

- Traffic light labelling of food
- Free school meals – the coalition have scrapped the planned extension. At the moment it is only for families receiving unemployment benefit, which doesn't cover large numbers of families that are below the poverty line (£19,500 a year for a couple with two children).
- Free swimming – for under-16s and over-60s has been scrapped as "a luxury"
- Schools sport funds – scrapped
- Road safety – no more funding for speed cameras and a 37% reduction in the local authority road safety support grant
- Tobacco – a planned ban on point of sale advertising of tobacco may be overturned (a similar scheme in Ireland has been found to help young people give up smoking), and they may overturn the ban on cigarette vending machines

The refusal of the UK, and the European Union, to introduce the simple traffic light scheme of food labelling is, according to Professor of European public health Martin McKee, "the clearest possible indication that the food industry is in the driving seat".

Under Labour there was considerable investment in trying to reduce health inequalities and improve public health. There were some successes, but even with

But the government is determined to go ahead with handing public health policy over to those who know how to sell things. to the public

to poor health, and, just like smoking, is strongly linked to poverty, being one of the reasons why there are such massive inequalities in health. Any public health strategy needs to try and improve diet, but even where governments are committed to promoting healthy eating they are up against fierce competition.

The Labour government launched a campaign, Change4Life, to encourage people to "eat well and move more". The coalition scrapped government spending on this and has instead handed it over to industry in an attempt to increase public-private partnerships to communicate public health messages.

The current priority is for the Change4life campaign to support local retailers and "boost the availability and promotion of fruit and vegetables in local stores". Explaining that he was opposed to "burdensome regulation" for industry over things like food labelling, Andrew Lansley said that he expected food companies to take the health promotion campaign forwards. "We need a new approach ... We have to make Change4life less a government campaign, more a social movement; less about costly advertising, more about supporting

country is "commercially sensitive" according to McDonalds, but they alone are known to spend over US \$2bn globally, including around US \$900m in the US.

But the government is determined to go ahead with handing public health policy over to those who know how to sell things. The Public Health Responsibility Deal aims to encourage people, sorry consumers, to eat better, increase exercise, drink sensibly and expand occupational health in businesses, "with an emphasis on maintaining a healthier lifestyle amongst the whole workforce and thereby reducing sickness absence".

In November the membership of the main committee was announced. A handful of public health experts (four) and charities (three) are joined by representatives from no fewer than five supermarkets, five drinks and hospitality organisations, four other industry representatives and three ministers. The majority of the committee is from industry.

The five networks dealing with policy on food, alcohol, occupational health, physical activity and behaviour change, are, in the words of the British Medical Journal, stuffed with, and many chaired by, representatives from

government investment inequalities continued. While things will only get worse with industry in the driving seat, the strategic problem with both approaches is that health is considered an individual problem that is best addressed by persuading people to behave differently.

But underlying the major health problems is the unfashionable fact that it is poverty and class that fundamentally determine how healthy people are. A policy to improve public health needs to start by reducing poverty and inequality.

Specific initiatives around improving diet are essential, but again they need to be based on transforming production and distribution, not just individual consumption.

The National Public Health Service will provide the minimal basic medical elements of public health provision, while the new Responsibility Deal will make sure that industry does not "suffer" from excessive regulation and individuals are made to feel that any health problems are their own fault for not buying the right food or signing up to the best fitness programme.

The depressing reality is that, since health is determined by broad social factors, then it is likely to be getting worse. The massive cuts to local government spending with the slashing of funds for sports, parks, housing and public transport will have a major impact, as will the slashing of welfare payments and services to those who are most vulnerable.

Clare Heath

governors of Mossbourne that any support from Mossbourne or even discussion about such support would be withdrawn unless Haggerston registers to become an academy and federates with Mossbourne. Steve Belk and Alan Wood have also said, on behalf of the Learning Trust, that Haggerston has no choice but to become an academy. Under this pressure the Head and Chair of Governors proposed at a recent governors meeting that the school should register an interest in becoming an academy with the DfE.

The Coalition promotes its policy on academies as one which gives all schools a choice. Clearly this is not the case at Haggerston.

There is another myth about academy schools which survived New Labour and is alive and well under the Con-Dems. This myth is that academy schools are all about giving parents a choice.

Clapton, Haggerston and SNS are the only non-religious community schools left in Hackney. Other schools have been closed down and replaced with academies. So much for parental choice. If these three schools were to become academies, for parents who are not of a particular religion, the only choice for their children would be to send them to an academy.

Another myth about academy schools is that these schools are all about raising educational achievement. In fact recent evidence shows that academies are doing worse than community

EDUCATION

Hackney schools fight against academies

THREE COMMUNITY schools in Hackney are fighting to stop their schools becoming academies: Haggerston, Clapton School for Girls and Stoke Newington School (SNS).

Within days of forming the Coalition, Education Secretary Michael Gove announced that all schools graded "outstanding" could immediately apply to become an academy. To the shock and outrage of their staff, the headteachers of both Clapton and SNS applied to become academies. Campaigns involving staff and parents against academy status were immediately launched at both schools.

The situation at Haggerston has been slightly different. The school was involved in a bitter battle over redundancies last year. In the summer of 2009 the Headteacher, Bursar, Chair of Governors and the Chair of the Finance Committee all resigned. The Learning Trust – the unaccountable body which runs

education in Hackney – took control of the school's finances and put the school into a partnership with the Mossbourne Academy.

From the outset of the "partnership", it was clear that Sir Michael Wilshaw (Principal of Mossbourne and favourite of both New Labour and Michael Gove) was

determined that Haggerston's future was as an academy. For a year, however, no concrete plan was put forward.

Recently, Haggerston's Headteacher and their Chair of Governors were told by the

There is another myth about academy schools which survived New Labour – that academy schools are all about giving parents a choice

schools – 53% of academies were considered only satisfactory or worse by Ofsted, compared to only 35% of community state schools.

Why the myths? Because the academy programme has never been about parental choice,

diversity or promoting excellence in education. It has always been about the privatisation of education and the break up of democratic, local control.

Ironically Michael Gove, falling over himself to ensure this privatisation, has managed to undermine his own policy on academies in recent weeks. Gove has announced that all schools will be given control of 100% of their own budget, with no money going directly to the local education authority. Schools will then be able to buy in the services they require from privatised companies.

At SNS and Clapton the financial argument had been an important one in those promoting academy status. As the Learning Trust is not particularly popular, it is not difficult to make the case that schools could do a better job with their own finances.

Immediately following Gove's announcement the Head and Chair of Governors at SNS informed the school's NUT rep that they saw little point in pursuing academy status and were halting the consultation. This is the first major success in the campaign to keep community schools in Hackney.

Staff in all three schools are opposed to academy status. The NUT recently conducted an indicative ballot of members at the three schools and the results were very clear. Members were asked if they would be prepared to take strike action against any proposal to turn their school into an academy.

At Clapton 38 members voted yes, as opposed to 7 voting no (turnout 86.5%). At Haggerston 30 voted yes and only 2 no (turnout 76%). Finally, at Stoke Newington 63 voted yes and only 2 no (turnout 86%).

The campaign to stop these three schools becoming academies continues. Activists involved are determined to defend comprehensive education in Hackney. If there is any attempt to move to academy status in any of the three schools, teachers will immediately organise strike action.

Such action would be even more

effective if it were coordinated across all three schools and indeed if other schools are involved – in other words every single school in the country. We need national action against academies to tackle

the national offensive against state education.

Kate Ford

Please send messages of support to:
secretary@hackney.nut.org.uk

TUBE STRIKES

RMT say no to London Underground job cuts

LONDON UNDERGROUND management is currently trying to get rid of around 800 gateline and ticket office jobs. These planned job cuts are just one small part of a larger plan to get rid of more than 5,000 positions in stations, on the trains and in maintenance.

This follows the huge financial meltdowns of Metronet and Tubelines, which were, pre-privatisation, the maintenance departments of London Underground. The current plan means ticket offices will open later, close earlier and be even busier

than they are now. For example:

- » Temple station ticket office, now open for 12 hours, will open for just two.
- » On the east end of the District line there are plans for one supervisor, one ticket seller and no gateline staff for the majority of the day.

Management's excuse for the cuts is that because of the introduction of Oyster cards fewer people are buying tickets from the ticket offices. But at the same time management has doubled the number of tickets a ticket office must sell to be considered viable

UNDERGROUND WORKERS PROTEST

Big society? Big cuts, big protest!

ON WEDNESDAY 15 December at 10am a delegation from the RMT will present hundreds of signed postcards from passengers across London to the Mayor, Boris Johnson, calling for an end to the threatened jobs cull.

As part of this a protest has been called to raise awareness of what the reality of the jobs massacre will be and to call for the re-instatement of the three victimised RMT reps: Arwyn Thomas; Eamonn Lynch; and Peter Hartshorn. The protest has been directly inspired by the student protesters who demonstrated on 10 November and again on 24 November against tuition fees.

The cuts happening on London Underground are part and parcel of the cuts happening to the London Fire Brigade, the staggering increase in tuition fees and the threatened privatisation of Royal Mail.

We call on all trade unionists, students and everyone opposing the cuts, not just in London Underground, but throughout wider society, to join us on 15 December to show the Conservatives and their Lib-Dem lapdogs that the cuts won't happen without a fight.

P.S. This will be a 100% peaceful protest, unless of course the police turn up.

from 15 to 30 per hour.

Even if it was true that fewer tickets are being sold, ticket office staff do a lot more than just sell tickets: they give ticket and travel advice to passengers, help sort out the frequent problems with Oyster cards and take care of the ticket machines.

The RMT have offered to go into binding arbitration at ACAS over management's reasoning for why they need to shut ticket offices. Management has refused the offer and victimised three RMT reps:

Eamonn Lynch, Bakerloo Line Driver; Arwyn Thomas, Northern Line Driver; and Peter Hartshorn, Green Park Group. Despite all of this the strikes have not only held strong but have been getting stronger.

But to win this dispute the RMT needs the support not only of the other London Underground unions, TSSA and ASLEF, but of the unions throughout London.

By a London Underground RMT member

have tried to imply this somehow means workers' involvement in running the business ("the John Lewis model") even though it is nothing of the kind.

Alongside selling off the business, the government is taking over the deficit in the pension fund. It is also reviewing postal regulation – since the liberalisation of postal delivery, Royal Mail has been effectively subsidising its competitors by delivering their mail at a loss. These are both long-standing demands of the union. Of course, they are now just a part of making Royal Mail attractive to potential buyers rather than solving its problems as a public service.

But where is the campaign against this sell off? There isn't one. The responsibility for this has to rest with the CWU. Despite the fact that privatisation was in the Lib Dems' election manifesto, the government's founding document and the Queen's speech, the union's campaign against the sell off only started in September. Even then the strategy only consists of exerting pressure on the 71 Coalition government's MPs with the smallest majorities, not a nationwide campaign among the public.

The "Keep the Post Public Coalition" attempts to draw in various parties and organisations, but with no clear idea of what this is meant to achieve, and this is emphasised over working with

ROYAL MAIL

Privatisation of the post service a lost cause?

TRADE UNION activists might not realise it from the lack of discussion on the left but the Con-Dem Coalition is well on track to get its bill on the privatisation of Royal Mail through parliament this year.

Maybe the reason for this is that it looks like being a defeat for the anti-cuts movement, and therefore is best not mentioned. Maybe it is because the union, the CWU, is running such a low key campaign, or maybe a combination of both. This would be the government's first wholesale privatisation and, if the union allows it to be carried through, a major victory in their war against public services.

Privatisation of Royal Mail would endanger the service in several ways. While nothing is laid down, it is unlikely that a private company would want to retain the Saturday delivery, nor that they would want to keep the current system whereby a letter to all parts of the UK costs the same, regardless of the differential cost involved. Despite the government keeping post offices publicly owned, it is unlikely that a private company would want to continue to use a loss-making system and this will inevitably lead to more post office closures.

On the contrary, their desire as always to minimise costs and maximise profit means an almost inevitable worsening of the service. Think of the things Royal Mail has done in recent years which have reduced the service – then multiply this several times over.

And anyone taken in by the argument that Royal Mail needs to "modernise" should be aware that trials of the latest sorting machines, supposed to sort mail ready for delivery, reduce the time necessary

by a total of seven minutes! This is about cutting jobs, not improving the service.

Of course, a sell-off would mean a further major assault on the terms and conditions of postal workers. But they are hoping to persuade them to accept privatisation with the sop of giving 10% of shares to the workforce. They

Billy Hayes, General Secretary, and other union officers have all the right arguments against privatisation, but obviously no strategy to defeat it

other unions, trades councils and anti-cuts campaigns. The national union has positively opposed making the issue part of the general movement in defence of public services, believing that this approach is more likely to be successful in persuading enough Tories and Lib Dems to vote against.

The message sent is sometimes

very confused, if not reactionary. Thus it is sometimes stressed that the company taking over Royal Mail may well be “foreign”, and this fact is used to attempt to win over not only right wing Tory MPs but also UKIP! Nor has there been a serious attempt to alert postal workers to the dangers (and argue against the share issue) and, more importantly, mobilise them to campaign against it. This has been left to the usual activists.

It is difficult to see why the campaign is so weak. Billy Hayes, General Secretary, and other union officers have all the right arguments against privatisation, but obviously no strategy to defeat it. The campaign is even weaker than that against Mandelson’s attempt at privatisation under Labour (and that only involved a 50% sell off).

A part of the problem is that Hayes and Dave Ward (the Deputy General Secretary responsible for the postal side of the union) continually stress that “the union has agreed to the transformation/modernisation of the business, there is no need for privatisation”. But the “transformation” they flaunt – the outcome of the deal which ended last year’s strikes – has also, in fact, made Royal mail ripe for sell off. The deal was widely predicted to lead to the closure of a large number of mail centres around the country and the accompanying loss of jobs with the agreement of the union, and this process is now well underway, with the national union noticeable by its absence from those campaigns which have formed against closure.

The situation has got so bad that the London Divisional Representatives of the union eventually wrote to the union head office early in November, voicing serious criticism of the campaign, saying “in our opinion the CWU at the moment is sleepwalking towards privatisation”.

They point out that of the 71 targeted MPs, 64 voted yes at the second reading of the Bill. They argue for a substantial stepping up of the campaign if we are to stop

privatisation, although they also argue for working with UKIP!

Of course, the Postal Services Bill passing through parliament is not the end of the issue – the government has still to find a buyer (there has been no indication yet as to who this might be) and finalise the price. A campaign could still halt the sell off at this late stage, but only if the groundwork is prepared in advance.

Activists in other trades unions, Labour Parties and anti-cuts campaigns need to take this up as a

matter of urgency. If you haven’t already contacted your local CWU branch, do so immediately and offer to help campaign on the streets against this approaching disaster.

A London postal worker

Campaign materials (petitions, leaflets, model motions etc) are available at www.keepthepostpublic.org/resources.htm

Support the national rally
Central Hall Westminster SW1H 9NH
15 December 11.00 am – 2.00 pm at

LABOUR PARTY

Ed Miliband’s long game is no answer to the cuts

THREE MONTHS into his leadership of the Labour Party, Ed Miliband has done little to suggest he can position it at the head of the growing anti-cuts movement. He has specifically refused to get involved in the burgeoning student protests.

Speaking after a recent London anti-tuition fees protest, he stated that he was “mildly tempted” to attend, but he discovered he “was doing something else that morning”.

Fighting talk! Not words guaranteed to inspire nor win the allegiance of those thousands of students and others who feel betrayed by Nick Clegg and Vince Cable.

In one of his few pronouncements since his election, at the National Policy Forum in November, Miliband announced that the Labour Party, as part of its “renewal”, (beware that word!), had to make sure it was “rooted in communities” and ready to hold “a million conversations”.

What he appears to have failed to notice, is those same communities are not standing still but already fighting back against the Coalition and have taken Elvis Presley’s advice and opted for “a

little less conversation.”

All of this is of a piece with Miliband’s strategy. Like all previous Labour leaders, he is “playing the long game”. The overriding objective is to win the next general election, and not any time soon, either. So the normal tedious process of trying to win back “squeezed middle England” is up and running with the formation of various long grass committees due to report back in the years to come.

The Labour Party should be fighting with students, trade unionists and communities, to bring down the no-mandate Coalition. Instead, under his leadership, it is working out ways of being tougher on immigration, and other requirements of the Daily Mail.

As Polly Toynbee has rightly pointed out in *the Guardian*, it’s possible to conceive of a worker-student alliance forming around the fight to stop the cuts, made up of this new generation, linking up with the grey hairs of 1968, ready to fight now and not hang about for five years waiting for the Coalition to complete its destructive work.

In saying that, she is right – the normal tempos and protocols of the

electoral process could be sidelined, and quickly, because millions of people, particularly the disillusioned Lib Dem voters, don't accept the democratic legitimacy of the government. By failing to act on this understanding, in effect to be a democratic deficit denier, Miliband is playing into the Coalition's hands.

Beyond his wrong general strategy for fighting the Con-Dems, we have also discovered the likely direction of his own policy and political agenda in the coming years.

At the time of his victory in the leadership contest over his Blairite brother, he was happy to present himself, not as "Red Ed", but at least as the "left" candidate. So, at that time he made much of his stance against the Iraq war and his claim that New Labour was "dead".

Fast forward to the appointment of his first shadow cabinet and a different picture emerges. One has only to mention the name Phil Woolas to see the problem. What possessed Miliband to appoint that disgusting racist to the role of shadow immigration spokesman? Maybe "the white folk" at the Mail nominated him.

To appoint Alan Johnson as shadow chancellor was revealing too. It achieved two things. First, it will provide an alibi for Miliband if he rows back on his commitment to his own "left" economic policies for a graduate tax and a permanent 50p tax rate for high earners. If Miliband had wanted to stay loyal to those policies he wouldn't have appointed Johnson. Second, it means Ed Balls is in a weaker position to make any future challenge to him, as is Yvette Cooper.

Finally, Miliband owes his position to the trade unions and he knows it. It appears unlikely that he will move to marginalise their role in the party. This obviously might change if union leaders refuse to play the game according to the reformist rules. He will be demanding that they operate within his timetable and do not organise "irresponsible" strikes, or even worse political strikes.

The failure to get Jerry Hicks elected as leader of Unite was not only a blow to the trade union left, it would have knocked a key prop from under the right wing Labour leadership. Len McCluskey has started his tenure by making militant noises about an "alliance of resistance" and giving "no blank cheques" to Labour. We wait to see how these noises turn into action in the Labour Party and in the strikes to come, or whether, like his

predecessor, he rapidly turns into the Labour leadership's poodle.

The job of militants and socialists should be to oppose Ed Miliband's project of "playing the long game" to 2015 and take on the Coalition now. We need to seek to mobilise the thousands of new, young Labour Party members to be an integral part of the anti-cuts movement, to destroy the Coalition before it destroys us.

Andy Smith

USA

Tea Party's toxic brew fuels right's resurgence

THE US presidential election is nearly two years off, but already the mainstream media's "commentariat" is speculating that Barack Obama will prove a one term president. After all, the Democrats lost the House of Representatives and only clung to a slender majority in the Senate at the 2010 mid-term elections. Obama's advantage of having Democratic control over both houses of Congress is well and truly gone.

This will either lead to two years of legislative paralysis or, more probably, a further shift to the right in the mode of Bill Clinton post-1994. And this by an Obama administration that has already alienated a substantial part of its activist base since assuming office in January 2009.

Much of the media coverage on both sides of the Atlantic has ascribed the Republican revival to the emergence of the Tea Party "movement", which has ostensibly created a new activist base for hundreds of Republican campaigns across the country.

The Tea Party derives its nickname from the 1773 protest staged under cover of darkness in Boston harbour against British colonial tax policies, an event now generally regarded as key in the

run-up to America's War of Independence.

To Guardian columnist Gary Younge the Tea Party is "old whine in new bottles" and in a sense it is a rebranding of various strands of right wing populism of a sort that has been widespread in the Republican Party since the election of Ronald Reagan as president in 1980. Younge is certainly right to point not only to a lack of ideological coherence but the limits of Tea Party, as opposed to Republican Party, gains in the mid-term elections.

While Younge's column is an antidote to the panic that has seized sections of the liberal left that see the Tea Party as the harbinger of an American fascist movement, his assessment underestimates a sea change.

The assorted Tea Party groups have relied not simply on mobilising voters to go to the polls, but have turned to extra-parliamentary protest on a large scale. Though not completely unprecedented, this is a significant new development for the right in the US.

In the past 18 months there has been less of an emphasis on promoting the reactionary and xenophobic politics in opposition to immigration, abortion rights and

gay marriage (though these themes have hardly disappeared) and more of a stress on opposing even the mildest of healthcare reform, depicting the Obama administration as at once elitist and "socialist".

There were protest rallies and marches across much of the US against Obama's health insurance proposals. This August saw Fox News star and right wing demagogue Glenn Beck head a

defeat. These included Sharron Angle, whose challenge to the Democrats' Senate leader, Harry Reid, ultimately faltered in Nevada.

At the same time, however, another leading Tea Party female, Michelle Bachmann, attracted a record \$11 million in donations in her campaign to retain a Congressional seat in Minnesota by a huge margin.

The relative success of the Tea Party in the current period

particular is a patron of high bourgeois art in New York and Washington.

The brothers are not unique, but are the most vivid personification of a faction of US capital, rooted in domestic extractive industry. Their business includes oil production with refining capacity across three states and control over 4,000 miles of pipeline, along with investments in a wide range of low value-added manufacturing industries, often associated with pulp and paper processing.

Their fortunes have gone towards sponsoring advertising campaigns seeking to discredit scientific research on the extent and underlying causes of climate change. They have spent tens of millions to fend off environmental regulations directly affecting their own corporate interests, but have also funded the free market libertarians of the Cato Institute, the most significant think-tank of its ideological stripe.

More recently, campaigning outfits associated with the Tea Party brand such as the Americans for Prosperity Foundation and Freedom Works have enjoyed the Koch brothers' lavish patronage.

Interviewed for the New Yorker piece, Matt Kibbe, current president of Freedom Works and a previous employee of the Koch brothers' group, Citizens for a Sound Economy, reveals that he consumed the same literature as Obama on community organising. He referred to "Saul Alinsky, Gandhi, Martin Luther King. We studied the idea of the Boston Tea Party as an example of non-violent social change. We learned we needed boots on the ground to sell ideas, not candidates."

The enthusiastic grassroots activism evinced during the 2008 Obama campaign was not sustained and in fact swiftly dissipated, with no substantial movement applying pressure on the Democrats from the left. The Obama administration, needless to say, did not want to face any such pressure and has been far quicker to pounce on critics to its liberal left than to attacks from the Republican right.

Two years on Obama's presidency has rendered a substantial section of his previous electoral base both disenchanted and demoralised

grotesque parody of the Civil Rights movement's March on Washington.

The mainstream media internationally has made much of the loopier fringes of the US right that have huddled under the Tea Party umbrella, in particular those who proclaim that Barack Obama is a Muslim, or was in fact born in Kenya or anywhere but the US, and so was ineligible to stand for the presidency.

Perhaps more significant (if no less bizarre) is that one national opinion poll found that 55% of respondents believed that Obama was a socialist. This same Obama that, as presidential candidate in 2008, attracted the largest share of political contributions from Wall Street!

The Tea Party brand has undoubtedly thrown up some most peculiar politicians, including the ultimately unsuccessful Republican nominee in the US Senate contest in Delaware, Christine O'Donnell. She had Tea Party backing, but proved a huge embarrassment with a past worthy of an escapee from the Big Brother house.

Other "Mama Grizzlies", the phrase former Alaskan governor and likely 2012 presidential candidate, Sarah Palin, used to describe women standing for the Republican right, also suffered

undoubtedly reflects the growth of widespread economic insecurity in the wake of the banking crisis and ensuing recession. This has left stubbornly high unemployment, exceeding 10% nationwide, along with the prospect of an accelerating decline in living standards for a growing proportion of the US population. It also owes much to the role of Fox News, shameless propaganda arm of Rupert Murdoch's US media empire, which has given a 24/7 platform to the likes of Bill O'Reilly, Glenn Beck and most recently, Sarah Palin herself.

Another factor has been the huge investment showered on a variety of right wing libertarian think-tanks and lobbying organisations over the course of the past three decades by a pair of previously obscure, extremely wealthy brothers, who featured in an article by journalist Jane Mayer in the 30 August edition of the New Yorker magazine.*

The Koch brothers, David and Charles, control the second largest private company in the US and their combined personal wealth of some \$35 billion is exceeded only by the fortunes of Bill Gates and Warren Buffett. In contrast to the rough hewn, all-American image of the Tea Party, David Koch in

Two years on Obama's presidency has rendered a substantial section of his previous electoral base both disenchanted and demoralised. The hope of his presidential campaign has soured into cynicism if not despair and the promise of change now rings hollow. His 2012 electoral pitch will come to rely increasingly on an appeal to "lesser evilism" in the face of the Republican candidate.

While the Tea Party's base remains predominantly not only white but largely middle to upper middle class and suburban, there is no doubt that it has appealed to some sections of the white working class. This is hardly surprising against the background of the continued marginalisation of organised labour across the United States, with union density still below 10% across the private sector.

The two-party, pro-capitalist duopoly in the US remains for now. Whether the Tea Party might ultimately trigger a schism in the Republican Party itself remains to be seen. But unless and until significant sections of the US labor movement combine with those at the sharp end of social and economic oppression to develop an independent political voice that speaks for many of those who had invested their trust in Obama and a Democratic Congress, the chances are that hypocritical charlatans such as Sarah Palin, will continue to attract a mass audience and just possibly take the keys to the White House in January 2013.

George Binette

*www.newyorker.com/reporting/2010/08/30/100830fa_fact_mayer

island's working population!) who are supposed to find new employment in private micro-companies (known as "cuentapropistas", roughly: "working for oneself").

These companies will be allowed to expand, including the right to employ a few other people. The rations, which provide for some of the basic needs of the working population, will be eliminated, and the state canteens will no longer be subsidised.

But the document goes much further: the central planning of the economy will be rolled back across the board. Individual companies will be able to set the prices of their goods and services, and also the wages of their workers. The vaguest possible language promises to abolish "undue gratuities and excessive personal subsidies", without mentioning who decides what is "undue" or "excessive". One assumes this does not refer to the privileges of the bureaucracy.

Lastly, the document proposes major concessions to foreign investment in the form of "Special Development Zones", reminiscent of the "Special Economic Zones" that played a major role in the restoration of capitalism in China. The document also promises strict compliance with the repayment of Cuba's foreign debt.

The document is more interesting for what it doesn't say than what it does. It can be necessary for a workers' state, in times of economic crisis, to retreat

CUBA

Trying to make Cuba more like Vietnam

➤ RAÚL CASTRO has announced that the much-delayed congress of the Communist Party of Cuba (PCC) will take place in April 2011. The fifth congress of the PCC was held in October 1997, and the sixth has been postponed countless times. But after an interval of thirteen and a half years, the PCC's (formally) highest body will finally meet.

The announcement is a sign that the leadership is confident that divisions and factional struggles within the ruling bureaucracy have been contained – at least enough that they won't break out openly at the congress.

The younger Castro brother has been appointing trusted figures from the Revolutionary Armed Forces (FAR), which he personally led for decades, into all key political and economic positions.

The congress will discuss a 32 page document, the "Draft

Guidelines for Economic and Social Policies", which codifies the reforms that the government has undertaken since the summer.

Raúl Castro told the PCC newspaper Granma: "It is not a reform, it is an modernisation of the economic model. No one is

The rations, which provide for some of the basic needs of the working population, will be eliminated, and the state canteens will no longer be subsidised

thinking that we are going to cede property, we are going to administer it in a different way."

The document enshrines attacks on the working class already underway, such as the firing of 500,000 state workers (20% of the

and even make concessions to imperialism, as was the case in the Soviet Union with the New Economic Policy of 1921.

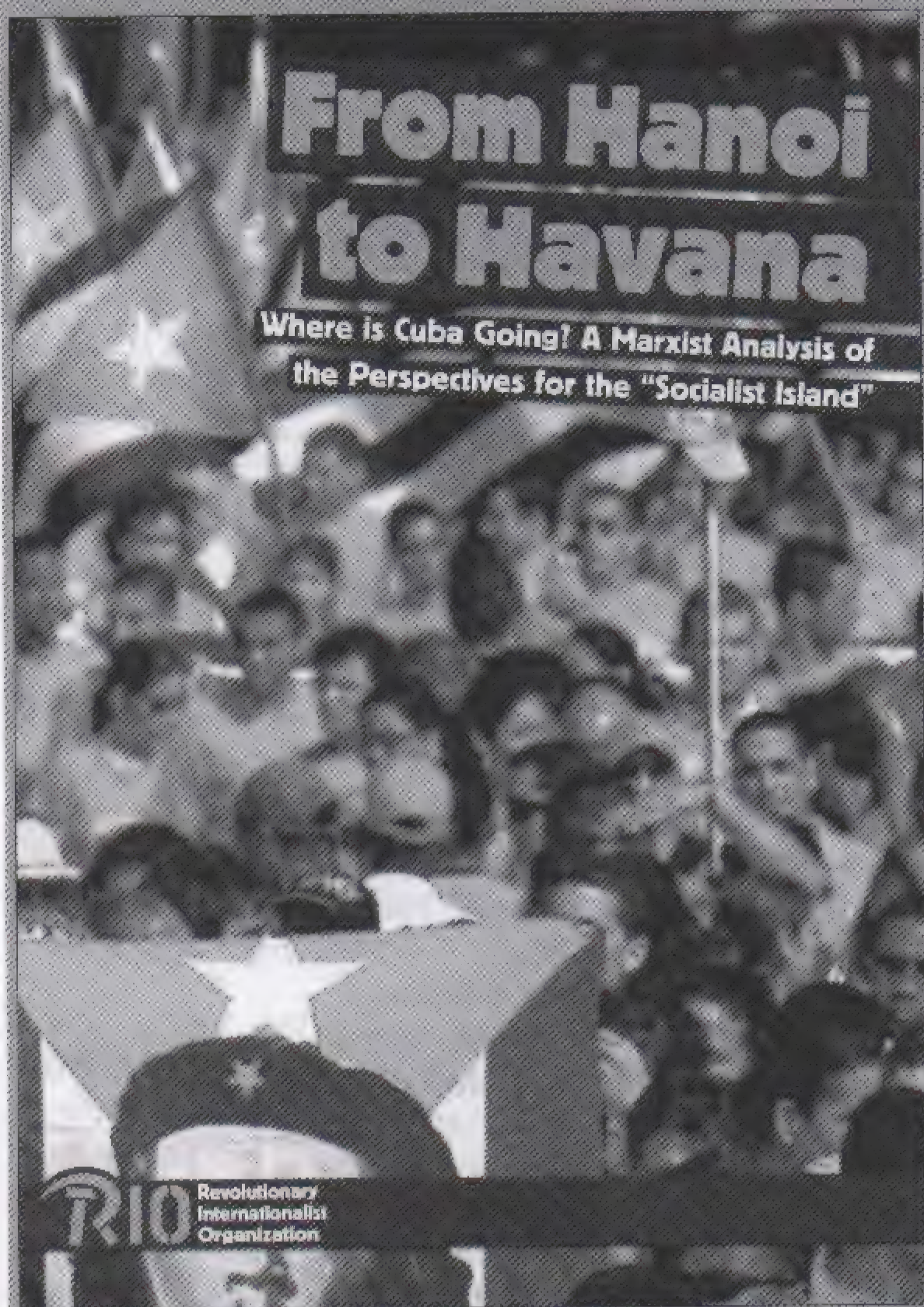
But the PCC's document makes no mention of how to defend the planned economy against the

OUT NOW!

From Hanoi to Havana

Where is Cuba going? A Marxist analysis of the perspectives for the "Socialist Island"

A new pamphlet by the Revolutionary Internationalist Organization



Cuba seems like an anachronism in today's world. Other formerly "socialist" states reintroduced capitalism in the upheavals of the 1990s. In Russia, the Communist Party was toppled and its system collapsed. In China and Vietnam, the Communist Parties themselves led a controlled process of reforms to re-establish a market economy. Cuba alone has maintained to this day an economy which is dominated not by the laws of the market but by a plan. Will Cuba experience a chaotic reintroduction of capitalism like in Russia? Or a controlled restoration like in China and Vietnam? Will it remain an "anachronism"? Or will it develop in an entirely new direction?

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increasing pressure of imperialist investment and the growing petit bourgeois sectors of "cuentapropistas".

In such a retreat, it can be necessary to increase wage inequality in order to spur productivity. But the Cuban leadership actually attempts to blame "egalitarianism" for the low productivity of the working class, as if wage differentiation were a positive step towards socialism.

It almost goes without saying that the "guidelines" make no mention of the possibility of integrating the workers into the management of the economy.

In their totality, the PCC's congress is preparing steps towards a gradual and controlled reintroduction of capitalism, leaving political power with the ruling bureaucracy (part of which will transform itself into a new bourgeoisie).

In this scenario, the FAR, whose officers manage billions of dollars in "joint ventures" together with imperialist corporations, will be the first to transform themselves from administrators of the means of production into genuine owners. Therefore, they should be considered the main social base of this form of restoration.

This is the process that was completed in China and Vietnam in the 1990s. The enormous pressure of US imperialism, just 90 miles away, has in the past prevented bolder steps by the Cuban bureaucracy towards capitalism: they are justly worried that if they open up the country too much, they will be swept away by the gusanos (Cuban exiles, literally: "worms") returning from Miami.

This is the background of the increasing negotiations between the Cuban government and imperialist countries as well as the stronger regimes in Latin America. The latter would be happy to break into the Cuban market while keeping their US competitors out. Most importantly, Brazil has signed extensive trade agreements with Cuba.

Spanish imperialism, with the most foreign investments in Cuba,

is deeply divided about whether to support the bureaucracy's reforms or push for the collapse of the Cuban system. The Cuban bureaucracy, with the intermediary of the Catholic Church, was happy to make some concessions to the "democratic" demands of the EU, releasing some pro-imperialist "dissidents", in order to secure their support for a programme of capitalist restoration. But the bourgeois classes of Europe are still uncertain how to proceed.

These reforms toward capitalism, which began with the "Special Period" in 1991, have been extremely slow – but they will reach a tipping point where the increased quantity of the private sector in the Cuban economy transforms into a new social quality. Concretely, the survival of the planned economy, including all its benefits for the population, is in danger.

The workers of Cuba urgently need to discuss how this can be prevented. While the "Friends of Cuba" insist that the PCC's proposals are being discussed intensively by the whole population of the island, their insistence begs the question: can there be any kind of democratic discussion without alternatives? How are programmatic alternatives to be submitted to the discussion?

In this context, the "friendly criticism" of Trotskyists from the United Secretariat of the Fourth International (USec) or the International Marxist Tendency (IMT) of Alan Woods, is doubly catastrophic: they warn about the danger of capitalist restoration, but refuse to raise any kind of programme that could actually stop the elimination of the planned economy.

The bureaucracy allows some isolated criticism at the universities, but only within strict limits. The entire historical experience of degenerate workers' states such as Cuba shows that the bureaucracy as an institution cannot be won for a socialist programme.

Only the working class of Cuba, which has been atomised for fifty

years in bureaucratic "mass organisations" of the regime, can provide a fundamental alternative: eliminating the privileges of the bureaucracy, submitting the economic plan to the democratic decision making of the working population, expropriating foreign capital on the island and above all fighting for a Federation of Socialist Republics of Latin America.

This program of workers' political revolution is the only alternative to the Cuban workers

suffering the same catastrophe as their brothers and sisters in Vietnam.

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The theses on Cuba by the Revolutionary Internationalist Organization from October 2010 are available to read online:
www.onesolutionrevolution.org/?p=576&language=en

SWEDEN

Social democracy in search of an identity

A SHORT time after leading the Social Democratic Party to its worst election defeat since 1914, Mona Sahlin announced her resignation in the middle of November.

The defeat has really shaken her party, which has traditionally been the largest party in the country – so much so that most people had come to regard the openly bourgeois governments as a kind of temporary pause in political life and government by social democrats.

This year however, they just beat the traditional right wing party, Moderaterna, with 30.7% against 30.1% of the vote, but lost the election, the second one in a row.

Despite the fact that the bourgeois coalition, Alliansen, which won the election in 2006, was a minority government for most of its four years in office, the "red-green" opposition consisting of the Social Democrats, Miljöpartiet (the Greens), and the Left Party failed to consolidate their support, obsessed as they are with the parliamentary shadow boxing.

They made their position even weaker by mimicking Alliansen's election strategy. Instead of launching separate election campaigns, which make it possible

for the parties to maximise their impact on the electorate, and then try to work out some kind of agreement after the election, they chose to form a "red-green" coalition on a common platform.

But the project got off to a poor start, as it was well known that the Social Democratic leadership around Mona Sahlin preferred to deal with the Greens alone, but were forced to accept a deal with the Left Party too due to the distrust many in her party have of the Greens. Alliansen realised this and did their best to discredit this shotgun marriage.

It was easier for Alliansen to look like a credible united alternative. Not only had the coalition governed for four years without any open internal factionalism, but their collaboration is based on a common commitment to neo-liberalism under the uncontested leadership of "the new moderates" as the traditional right wing party calls itself.

The smaller parties in the coalition have also been allowed some leeway to promote themselves, as well as benefitting from so-called tactical voting, which aimed to ensure they would pass the 4% threshold needed to get into parliament.

By the start of this year, Alliansen overtook the opposition in the polls. The leading ranks of the social democrats got nervous as the election drew near and the hope of victory dwindled.

Mona Sahlin belonged to the leading circles of the party for nearly three decades, and was groomed as a future party leader a decade or more ago. A credit card scandal stopped her from becoming leader in the 1990s.

When she succeeded Göran Persson as party leader after the electoral defeat in 2006, she was not regarded as the obvious choice but the best available after all other possible candidates turned the opportunity down.

She never succeeded in winning the wholehearted support of the party membership for whom she represented a turn to the right.

When defeat came it was obvious that Mona Sahlin would be one of the first to be blamed.

At first it looked like the party leadership would be able to contain the reaction, but it was just a short lull before the storm broke.

Now all the evidence points to a party that, having lost its bearings, is frenetically looking around for a new leadership and new politics, somewhat like the Labour Party after its defeat in the UK.

An extraordinary congress will be held at the beginning of 2011. The most probable perspective is that the party works out some sort of a compromise between its different wings since it has little other choice.

But this is unlikely to result in a clear, progressive and convincing alternative to the politics of the government or revive its fortunes.

Anders Hagström

The most powerful movement since 1968?

As the strikes against the Sarkozy government's pension reform intensified this autumn public support for them grew. Yet the movement did not stop the law being passed. What more could have been done, asks Christina Duval

Introduction

This autumn the French working class delivered on their habitual promise to intensify the class struggle on their return to work after the summer break. "La rentrée sera chaude" (the return to work will be hot) is a common refrain on the left. This year the rentrée was hotter than it has been for a long time.

For two months France was engulfed in a series of weekly days of action, mass demonstrations and strikes by key sectors of workers that threatened to paralyse the country. The eyes of the European working class were on their French brothers and sisters in the hope that the strike wave would deal a massive blow to the government's plans to attack pension rights and, in doing so, light a spark that could set Europe ablaze.

At its height more than three million workers took part in the national days of action. In small towns that had never before experienced demonstrations, whole families of

workers took to the streets. A thousand secondary schools, a quarter of all schools, were disrupted by occupations and blockades. Continuous, daily, renewable strikes (i.e. strikes that are voted on every day in strike meetings to decide whether they should continue) took place in public transport, oil refineries and terminals, ports, schools and local government. The national days of action drew in even wider sectors of the working class and provided an important focus of class-wide, united action, bringing together young and old, private and public sector, union and non-unionised workers against Sarkozy and his right wing UMP government.

For Sarkozy and the French ruling class the stakes were high. This struggle has been about more than the regressive pension reform. Sarkozy has been determined to weaken the power of the working class and its organisations. He needs to halt the endless round of strikes and mass demonstrations which have been such a barrier to the neo-liberal restructuring of the French economy.

He hoped that the current economic context would provide him with the economic "rationale" for the pension reform, allowing him to get away with excluding the unions from any consultation. Hence the bulldozing through of the proposals during the summer with a schedule that left no time for negotiation.

Sarkozy was unprepared for the scale of the resistance. He had underestimated the extent to which years of attacks on the working class, on public service and on working conditions, coupled with fiscal handouts to the bosses and the recent bail-out of the banking sector, have undermined the argument that workers have to sacrifice yet more in order for capitalism to work more efficiently.

It is no exaggeration to say that the 2010 movement has been the broadest social movement in France since 1968. Unlike the strike movement of 1995 that successfully fought off attacks on the pensions of public sector workers (though these gains were lost in 2003), this time both public and private sector workers came together in a powerful mood of unity and solidarity.

The involvement of school students also laid the basis of inter-generational and class-based solidarity in opposition to the neo-liberal commentators who lay the blame for the pensions "crisis" at the door of the post-war "baby boomers" in order to sow division between generations and divert attention away from the greed of the ruling class.

The resistance to the government gave rise to a magnificent display of unity, militancy and dynamism. Yet, by the beginning of November, the pension reform had been passed by parliament, the strikes had been suspended and the demonstrations were significantly smaller. Sarkozy, it appeared, had won.

Missed opportunities

In order to understand why this happened we need to look at how the union confederations were able to contain a movement that had, due to its militancy, pushed them to go further than they had wanted. Despite low levels of trade union membership, especially in the private sector, unions are important actors in France due to

their presence in workplace committees (an important gauge of the relative strength of the various confederations) and their role in administering the provision of social security benefits.

The unions use their influence when negotiating social policy with the government and the employers' organisation (the tripartite system of "social dialogue"). During consultations over major social policy changes, union leaders typically employ the tactic of isolated days of action by their members as a way of strengthening their bargaining hand.

The refusal of Sarkozy to bring the union leaders on board during the reform process led to an unusual degree of unity between the various union confederations

For example, the leaders of the CGT (Confédération Générale du Travail, one of the main trade union federations) can sanction radical slogans on the streets and use this pressure to potentially force a few concessions from the government. Ultimately, the rank and file members are used as pawns to consolidate the leaders' role within the institutional structures of social dialogue.

This time the union leaders misjudged the mood of both the government, the rank and file of the unions and the working class as whole. The government was determined to exclude the unions and get the law passed with minimum consultation. It considers the reform to be long overdue. As Olivier Blanchard, chief economist of the IMF, made clear in an interview with Europe 1, the reform "should have happened 20 years ago". He also raised the spectre of other "structural reforms", such as the weakening of employment protection. A victory on pension reform would open the door to further attacks.

The refusal of Sarkozy to bring the union leaders on board during the reform process led to an unusual degree of unity between the various union confederations. The moderate (i.e. limply reformist) CFDT (Confédération Française Démocratique du Travail), which would have been happy to go straight into negotiations without resorting to a show of strength on the streets, found itself with no choice but to join the Intersyndicale – the united union organisation made up of the eight main union confederations – to coordinate a united response.

In 2003, the CFDT had supported government proposals to increase the number of paying-in years needed to receive a full public sector pension. This led to the defection of whole CFDT branches to other union federations. Faced with a government refusing to talk, thereby depriving the union bureaucracy of its *raison d'être* and a rank and file becoming increasingly militant, the CFDT had no option but to join the movement in order to prevent any further discrediting in the eyes of its membership.

Unity was important. It meant that rank and file workers of all the unions could work together on the ground

to build a powerful movement of resistance. The days of action called for by the Intersyndicale were crucial in getting large numbers onto the streets and gave strikers a sense of legitimacy.

However, the union leaders, tied as they are to their strategy of "responsible negotiations", wanted a movement strong enough to force the government to the negotiating table, but not so strong that it could slip out of their control. Herein lies their second miscalculation – underestimating the anger and hatred of workers against Sarkozy

By mid-October, all of France's twelve oil refineries were shut down by striking workers, leading to fears that the country would run out of fuel

and his government. It wasn't just the pension reforms that workers and youth were protesting about, it was the whole gamut of neo-liberal policies that have affected their working conditions and their quality of life in general.

The anger expressed reflected an accumulation of grievances against a president seen as too close to the filthy rich. The Bettencourt scandal over tax breaks for party funding reinforced this image, and created a strong sense of unjust double standards, especially since Eric Woerth, the minister in charge of the pension dossier, was embroiled in the scandal.

The effects of the post-Lehman Brothers economic crisis have given an additional impetus to this movement. Unemployment has significantly increased from about 7.6% in 2008 to 10% today. Youth unemployment stands at 25% of under-25s and many of the jobs available to youth are on precarious, short term contracts.

The austerity package put together in response to the crisis promises further cuts in public services, particularly in health and education. These are sectors already hit by state spending cuts. In education, for example, 50,000 teaching jobs have been lost since 2007.

Manufacturing workers have been hit directly by the banking crisis, particularly in the car industry. Last year, there were a number of bitter and militant disputes in the sector as workers fought to protect jobs or to improve redundancy pay-outs, with some workers occupying their workplaces and even threatening to blow up their factories. It is against this background that the wave of protest and strikes took place.

A dynamic movement full of potential

Many of the slogans on the demonstrations indicated that most workers wanted to go further than union demands for negotiation over the terms of the reform, and demanded instead its complete and unconditional withdrawal. And very quickly an important minority of workers grasped the fact that "days of action" were not enough; instead of going back to work, different sectors

launched strike action. This involved a range of public and, importantly, private workers. Rail workers, workers at oil refineries and terminals, dockers, rubbish collectors and school canteen workers joined the strikes. In some cases power generation workers took selective strike action, for example in areas where the governing UMP were in power. In addition, demonstrators, led by large contingents of trade unionists, blockaded key transport hubs such as motorways and airports.

By mid-October, all of France's 12 oil refineries were shut down by striking workers, leading to fears that the country would run out of fuel. That the majority of the French population still supported the strikes is testimony to the deep social roots of the movement. This was first time that oil workers had carried out such action since 1968, resulting in a flood of media references to France being on the brink of social unrest on a scale unseen since the 1960s.

Whilst the leaders of the unions had played an important role in providing a national and united framework which was crucial to setting the mobilisation in motion, the continued and growing strength of the movement was due to local rank and file activists. In areas where there were strikes, Assemblées Générales Interprofessionnelles (Interpros for short) sprang up to coordinate action and provide support for strikers.

In some towns, such as Le Havre and Marseille, these Interpros acted like town strike committees to bring together different sections of the working class each day to democratically decide on how best to support and extend the movement. They were not widespread but they were growing in number and had the potential to provide the French working class with the kind of organisation needed to counter the national leadership of the unions.

A challenge to the union bureaucracy was clearly necessary. At the height of the movement, when Sarkozy was preparing to send in the police to break the oil workers' strike, a call for a general strike by the leaders of the unions was essential. Given the fighting mood of the mass demonstrations, it is highly probable that a significant number of workers would have responded positively to such a call and this could have drawn in more hesitant sections of the working class.

Only the small but militant union Capitalise Sud called for such a general strike. The only perspective the other union confederations offered was yet another day of action. Yet events had moved on and the stakes were now much higher. The task of the day was to move things forward by extending the strikes into an all-out strike to withdraw the reform.

The CGT, CFDT, FO (Force Ouvrière) and the rest were opposed to such action. The Intersyndicale, which met following the passing of the reform legislation, felt obliged to make some concession to the movement by agreeing to some unspecified form of action in the last week of November. The CGT made some noises about being able to influence the modalities of the law in summer 2011, whilst an aide to François Chérèque, the leader of the CFDT, admitted to the newspaper Libération that several leaders would be happy to see the movement peter out, presumably in order for them to get back to

the business of negotiating away workers' rights behind closed doors.

Unsurprisingly, the support given to the strikes by the central union officials was minimal, although it was rank and file members of the unions such as the CGT, FSU and SUD who were involved in the strikes. At one point the Intersyndicale called on the strikers to respect property, so concerned were they to maintain their reputation of trusted negotiators. Worse still, they stood by as the forces of state repression moved in to break the strikes and intimidate youth from taking action. More than 2,000 people were arrested during October, including school students, some of whom were arrested for putting up posters. Many of those arrested face huge fines and even imprisonment.

The government used extraordinary powers to end the blockade of the oil refineries. At the Grandpuits oil refinery, which supplies Charles de Gaulle and Orly airports, the site was "requisitioned" and workers forced to move fuel or face jail sentences of up to six months in a move that was, according to one CGT official, reminiscent of Pétain's fascist regime. Whilst local activists quickly mobilised to defend the refinery, the union leaders did nothing.

Faced with such a violent attack on the right to strike, and state repression of workers and youth, the response should have been to call for an all-out strike against the government. Instead the oil workers were left isolated, and despite the best intentions of local activists, the movement began to fade.

How the Interpros should have challenged the union bureaucracy

This scenario is depressingly familiar. A militant and dynamic movement is led to an impasse by a union bureaucracy whose interests do not correspond to the interests of the workers that they are supposed to represent. Workers throughout Europe are faced with the question of how to challenge our leaders, pushing them to take action whilst simultaneously preparing to challenge them when they sell out the struggle.

This will become increasingly important as struggles inevitably break out in the next period. The example of the French fightback against the pension reform illustrates the contradiction between a union leadership which is susceptible to pressure from militant rank and file activists and can play a key role in mobilising class-wide resistance, but which inevitably will attempt to stop this resistance from spiraling out of its control, leading to missed opportunities and, ultimately, betrayal.

The development of local Interpros provides us with a glimpse of how the union bureaucrats can be challenged by the self-organisation of the working class in struggle. The Interpros were not widespread, and where they existed, they only mobilised a minority of militant class fighters. However, they were able to support and sustain local strike action over a considerable period of time.

In Marseille, the fuel workers were on strike for 33 days, and were joined by other key workers in the city. The Interpros played a crucial role in ensuring that, short of extending strikes to other sectors, the strikers were not isolated by encouraging links with local workplaces

A STUDENT'S VIEW

'The anger is universal'

Benjamin, a 26-year-old student in Paris, talked about his experience of the movement during the 6 November demonstration

THE STUDENT movement started quite late. This is due to the fact that the universities began their autumn term quite late so it was difficult for us to join the movement. Once we did get involved there was loads of political discussions. We didn't just discuss pensions, we also discussed the whole of Sarkozy's politics and the government's neo-liberalism.

All the forces of the left, even the PS, mobilised with us. We mobilised together on the basis that we were totally against the proposals. Whilst we weren't all in agreement as to what to do after, we were all united over the need to fight against the government now.

There is a very profound feeling of anger against Sarkozy. And we didn't just mobilise in the universities, we organised meetings with railway workers and also joint demonstrations. We invited them to speak at the university. We also invited postal workers. Just next door to my

university there is a rubbish incinerator. The workers there went on strike, we invited them to speak to us and we went to visit them. We demonstrated together in the local area and we discussed a lot with them. So the anger against Sarkozy is universal.

There are lots of people who are saying, "I hate Sarkozy, I hate his policies which are only for the rich, and I hate this reform of the pension system, yet I'm not going to go on strike. But it would be really good if you go on strike instead of me."

So we have had lots of discussion to get people more involved, get them to come to the big demonstrations. But we haven't seen them at the AGs. There has been a lack of linking up here and we're working hard to get to the next phase of the struggle.

What's going to happen next? There is a step back because the unions don't want the movement to go forward. They have tried to control the mobilisation. Today most of those who went on strike and who had never been on strike before, are saying that they are pleased that they fought back against the government."

and working class communities, and raising solidarity strike funds.

In Le Havre too, daily meetings of the AG Interpro enabled activists to coordinate action between different groups, publish 17 newsletters to distribute amongst workers and working class communities, and to raise 20,000 for the strike funds.

Had such Interpros spread it would have easier to extend the strikes and build momentum for a general strike to paralyse the whole country. Where local union leaders come under pressure from national officials to call off strikes, mechanisms of workers' democracy such as workplace Assemblées Générales and Assemblées Générales Interpros can hold local officials to account and provide a counterweight to the wishes of national bureaucracies.

The Interpros also needed to be coordinated on a regional and national scale. A small minority of activists recognised this and organised a national delegate meeting of Interpros in Tours in early November, just as the first stage of the

struggle was coming to an end. Twenty-two Interpros were represented at this meeting which put out a declaration criticising the strategy of the Intersyndicale.

The declaration also called for the continuation of the movement through the building of Interpros and a series of actions that could keep up the pressure and mobilise workers. Whilst not calling for a general strike, the Tours' declaration claimed that a general strike was necessary to win.

Such organisations also play another crucial role as the struggle develops. A general strike poses the question of power – which class shall rule in society? Sarkozy and his

government claimed that the oil workers were undemocratic and that the rule of law, property and parliament must be upheld. Millions of French workers understood that democratic legitimacy lay with the workers on picket lines, the factory occupations and on the streets.

In such situations of heightened class conflict, organisations which bring together all workers to decide how strikes and struggles shall be conducted have enormous potential. If they reach down into the broadest layers of the population, criss-cross communities, tie workplaces to estates, then they can mutate into organs capable of taking on broader responsibilities in the context of height-

THE QUESTION OF LEADERSHIP

Need for clarity and coherence

FOR THE mainstream left parties, the resistance to the pension reform represented an opportunity to increase their influence in the run up to the 2012 presidential elections. The leaders of the Socialist Party (PS) were no doubt thinking wistfully back to the 1995 strike which, in the absence of a credible left alternative, boosted the votes of the PS in subsequent presidential and parliamentary elections.

The PS has supported the demonstrations and been visibly present. Their youth section has also been active in the school student mobilisations. On the other hand, their standing among core activists is considerably lowered by their support for an increase in the paying-in period necessary to access a full pension.

So whilst the PS has called for the minimum age of 60 to be maintained (a demand that some of its leaders have only recently been converted to), its policy on funding retirement differs little from the ruling UMP. Two potential presidential election candidates, François Holland and Dominique Strauss-Kahn, are ardent supporters of reducing the state's financial burden.

To the left of the PS stands the French Communist Party (PCF) and the left wing split from the PS, the Parti de Gauche (PdG). Both parties refused to criticise the union leaders, in keeping with the agreement of the leaders of the

reformist political parties and unions to ensure that the twin strands of reformism – political and union – are strictly separate, with a de facto non-aggression pact, a pact within the French labour social movement since the 1906 Amiens Charter. Neither party, therefore, called for a general strike, seeing that as going beyond their remit as political organisations – a convenient way to absolve themselves of responsibility.

While members of far left groups played an important role in the strikes and in the Interpros, none of the major groups seemed to clearly pose the question of the general strike in such a way as to concretely challenge the power of the union bureaucrats.

Lutte Ouvrière (LO), a group with relatively strong roots in the unions, related to the movement in a very abstract, propagandist way, although LO members will undoubtedly have been active in some of the strikes. Its special issue on the pension struggle was lukewarm towards the blockades, arguing this was a minority action that could not be a substitute for the action of the whole working class – an argument somewhat weakened by LO's refusal to take up the call for a general strike.

For the Nouveau Parti Anticapitaliste (NPA), this was an opportunity to overcome the problems that have beset the organisation over the past year. It has been losing members, had

unimpressive results in the regional elections, and has been beset by divisions over key issues such as the racist laws against the burqa, and what kind of electoral alliances are permitted.

NPA activists have been amongst the most ardent and enthusiastic supporters of the Interpros, supporting rank and file initiatives whilst correctly being part of united front campaigns initiated by the more influential reformist organisations, such as the call to maintain the minimum age of 60 put out by the Copernic Foundation and Attac.

However, an overriding concern with maintaining the unity of a broad movement helps explain the NPA's lack of clarity over challenging the unions' leadership and making a clear unambiguous call for a general strike. The leaflets distributed by the NPA contain little more than calls for united struggle to get the law withdrawn.

Providing consistent and clear leadership would have meant emphasising the need to build the Interpros, not only to give logistical support to strikes but crucially to provide a political challenge to the Intersyndicale, by spreading the call for a general strike.

On the other hand, the NPA issued a statement in November restating the necessity of a general strike and its commitment to building a movement embedded in workplaces and workers' communities to reinforce those within the workers' movement who recognise the need for militant workers' action.

ened class struggle. They can organise the provision and transport of services and goods for example, the defence of occupations and demonstrations from police and far right attacks; in other words, they can be embryonic organs of workers' power.

Defeated but not undone

Sarkozy's apparent victory in this latest installment of the French class struggle may well turn out to be a pyrrhic one. The law may have been passed, but the French working class has not yet yielded to demoralisation. The 6 November demonstration in Paris, whilst much smaller than previous demonstrations, was militant and upbeat despite the continuous downpour of rain. New

layers have been drawn into the world of class struggle, important and lasting links have been made between different groups of workers and between young people and trade unionists.

This has led to the emergence of new and strong forms of solidarity and the realisation that unity is strength. These new layers of activists have had a glimpse of what the working class can do when it fights. Those who have been at the heart of the struggle are determined not to squander these gains. It is not an exaggeration to say the workers' movement in France has been profoundly affected by the experience of sustained strike and solidarity actions, providing the French working class with an important basis on which to continue the struggle and fight future battles.

'A moment which should reshape the French left'

We interviewed John Mullen, a lecturer in Paris, a member of the SNESUP trade union and the New Anti-capitalist Party

PR: What has been your impression of the movement?

JM: It's been tremendously impressive to see the number of people involved. There have been seven days of action in the space of two months and every one with millions on the streets, even though most of the days of action were on weekdays. On 28 October there were 266 demos around France. I lived until recently in Agen which has a population of 30,000, and there were 8,000 people on the demonstration! It's not just another wave of strikes, it's really going to change the unions and the left and how people are looking at the world.

The second thing is the movement has been immensely popular; there was a point at which the majority of the population, not just the workers, the entire population, was hoping it would lead to a general strike. Two weeks ago, 71% of the population was saying, "yes, we support the movement". And this was after the government had gone through its whole thing of "there's no alternative, we're living longer, we've got to work longer, we'd love you to keep your pensions but look at the debt of the country" and so on. People are just not taking it. Even a significant number of right wing voters don't like it. At one point you had almost a quarter of right wing voters supporting the movement. It's very impressive.

What's been impressive also are the rank and file mobilisations. The union leaders organised the big days of action (and really pushed for them, all of the union federations together, which is a new thing, including the so-called moderates like the CFDT) but they weren't happy to see the renewable strikes between the days of action. They

didn't necessarily oppose them, that wouldn't have been possible, but they did nothing at all for them.

The union leaders' slogans were really weak. For example, the lead banner at the demonstration last week, which was decided by the union leaders, said "Pensions, jobs and wages are important to society", which, firstly is true, but secondly is not particularly combative! And this was a demonstration where thousands of people were chanting "general strike!" but the union leaders were not there at all.

So the rank and file initiatives were very important. In a lot of towns, the interpros, or informal strike committees, brought together different groups of workers. For example in Montreuil [a suburb of Paris], there were teachers, council workers, crèche workers and a few people from the private sector. In Nanterre there were theatre workers, teachers and high school students. The interpros were embryonic organisations, not representative as such, but they have been very dynamic and have carried out a lot of imaginative actions.

For example, turning up at the oil depots which were blocked by the oil workers, and trying to stop the riot police from coming and breaking the blockade, blocking motorways, bricking up the doors of offices of the bosses' organisations, and so on. You could find a lot more examples in the left wing press. I could give 50 impressive examples. My favourite one was when a committee of philosophy teachers in Lille set up a collection for oil workers on strike. There is something symbolic about that.

PR: Do you think the Interpros could have developed into some kind of committee of action to serve to bring together workers from local communities, those that are not in unions for example?

JM: They did this in quite a number of places. One of the things I think that my party, the NPA, did right was to really push these Interpros and build them everywhere it was possible. This weekend [6-7 November] there is a national meeting of Interpros regrouping delegates from 22 towns. I don't think such a national delegate-based meeting has ever happened before. The NPA is declaring its support for it, although we are also aware that it is embryonic, we are not going to pretend that it represents

I think this movement is going to lead to a rebuilding of the left and a whole new generation of left activists. All the cards are being re-dealt

the whole movement. The building of class consciousness has been very important. Among students today for example, it's easy to talk about class struggle and class war among a vaguely left milieu, which it didn't used to be.

I think this movement is going to lead to a rebuilding of the left and a whole new generation of left activists. All the cards are being re-dealt and we're going to see which organisations are on the ball or not. Its moments like this when organisations will pay for mistakes, too.

PR: How would you compare today's movement to movements in the recent past such as 1995 or 2006?

JM: I think the unity between young people and workers is unheard of. In Rennes there were lorry drivers and high school students blocking the bus depots together. The police attacked them with tear gas and accidentally gassed a whole load of bus drivers who promptly came out on strike. Certainly, the unity between the old and the young is stronger than I have seen before.

One reason is that university students these days are so often also workers, either because they need to pay for their studies or because their course involves paid or unpaid work experience. It's not so much students in solidarity with workers as it used to be, it's more a class unity, which is a positive development.

My university is not in the vanguard. Nonetheless, on the last two days of action the majority of my colleagues were on strike. University lecturers in France have not been proletarianised as they have in Britain. It's started, but nothing like in Britain. They are at a place where university lecturers in Britain were 20 years ago when strikes would be really quite rare. The strike of university lecturers here in 2009 to defend working conditions was the first national strike for nearly 40 years. It lasted three months and managed to stop the government doing half of what it wanted to do.

This time on the pension issue, not only did they go on strike but also there was a lot of liaising with the students and administrative staff. One of my colleagues proposed a collection for striking street cleaners. We're seeing the beginnings of class consciousness even in the dusty uni-

versity lecturers' staff rooms – and they are pretty dusty sometimes. Also, the unity between public and private sector workers was stronger than it has been.

PR: Can you talk about the unions, their strategies, the differences between them?

JM: First, there is a big difference between the union leaders and the rank and file. Sarkozy absolutely refused to discuss with the union leaders about the reform. Certainly the CFDT leaders would have happily not supported the strikes in return for a bit of negotiation on secondary issues, but Sarkozy made it clear that he didn't want to talk to them. And so the CFDT was obliged to unite with the other unions.

This unity was very important for the rank and file from the point of view of legitimacy. Of course, the union leaders wanted the days of action to be massive. They are professional negotiators, they need to show the government that it has to negotiate with them and not by-pass them. On the other hand, they did absolutely nothing to get the renewable strikes going.

You might think that when the majority of the population say they hope there will be a general strike then the union leaders might call a general strike. But they don't think like that.

PR: So the union leaders were fearful of the movement?

JM: Definitely. If the movement takes off from rank and file initiatives, their job as professional negotiators is not important anymore. It's not about them being individually bastards – some of them are, some of them aren't, like university teachers or bus drivers. It's really about their role. In this case the union leaders really put brakes on the movement in a big way.

In essence, what we have is a situation where the union leaders don't really control the rank and file. There have been thousands of initiatives that they didn't control. But there has been no alternative leadership. If the union leaders weren't there, there wouldn't be a movement but if we follow the union leaders we'll lose.

PR: What do you think is needed to bring about that alternative leadership within the unions?

JM: Well, I'm not sure. First of all, I think the Interpro is a great step forward. The line of the NPA is to build "class struggle currents" inside all the unions. Now what that means on the ground can be quite varied and sometimes it's excellent and sometimes it's not really so impressive.

I'm not very clear on that question but certainly revolutionary and anti-capitalist activists have had an important effect during these strikes. I've been very impressed with the implantation and the activity of NPA activists pushing for renewable strikes where it's possible or going as far as they can where it isn't, where they are in a minority.

PR: How are political organisations intervening in the movement. The Parti de Gauche, for example?

JM: The PdG were very much supporting the strikes. However, they have a position which is that political parties

and trade unions have very different roles and so that it was not up to them to call for a general strike. Their leader, Jean-Luc Mélenchon, was asked on prime time TV if he was in favour of a general strike, and he avoided the question by saying it was a problem for the unions.

Nevertheless, PdG activists in some places were encouraging the generalisation of strikes. At the same time they had a parallel campaign demanding a referendum on the pension issue, even if they put this more on the backburner as the struggle intensified.

It was a very silly idea because if you had the balance of forces to force Sarkozy to call a referendum, that would be enough to force him to throw his law in the bin. So what was the meaning of this campaign from the point of view of the Parti de Gauche? It meant obviously that the mass of the people respect constitutional forms, so you could get more of them with you if you used constitutional arguments. I think that's wrong but that's what it's about. Certainly the PdG is going to profit quite a bit from this movement.

PR: *The PCF are very weak in comparison to the influence they used to have. Are they focusing on their alliance with the PdG?*

JM: Certainly from an electoral point of view. Though, in places like the oil refineries, or among the dockers, where the Communist Party members of the CGT are very strong, they have a real base. Otherwise, PCF sections were active collecting money and organising demos. Communist mayors were collecting money and taking it to the picket lines. Of course, the PCF is weaker than it used to be but it was a major player in the movement.

The Communist Party relies tremendously on its elected councillors and elected regional councillors. The recent PCF conference was fundamentally a turn to the right, despite resistance from a significant left minority; and the party leadership is now talking much more in terms of when they will be able to ally with the PS again. This is not on the cards immediately, but there is a turn to the right going on in the PCF.

What they talk about at the moment is partly "just you wait until 2012 for the presidential elections" but also very importantly, they raise the idea of alternative reforms. Their latest leaflet says the reform of pensions should be "negotiated again from zero" with the unions but on another basis. "Another reform of pensions is possible."

To be fair, they do say 60 years old is the right age to retire and on 75% of final wages but the idea is very much to show how within the present system it is possible to do things differently. So they talk about "killing the poison within our economy" which financial capital represents. This is an old and incorrect PCF idea, that there is a huge difference between productive capital and finance capital. So it's very much left reformism.

PCF members have been building the demonstrations certainly. In some areas they were not building the renewable strikes but it's hard to get reliable information on that. You get a lot of different sorts of people in the PCF. You get people who are building the class struggle every time they can and other people... well there are a lot of tired bureaucrats around. But in a lot of places people

were happy that the Communist Party was around when things happened.

PR: *And the PS? They are presumably trying to make political capital out of the movement, though they support many aspects of the pension reform?*

JM: There is a genuine left wing in the PS. I think it's important for British comrades to understand that it is not a Blairite party, although there is a Blairite wing. You will see the left wing of the PS in the united meetings, on the platform with Besancenot from the NPA, with the Communist Party and so on. At their summer school, the left of the PS invited Besancenot to debate in public with them.

It's not just a little Trotskyist current but a significant left wing in the PS who have been delighted to get involved in the movement. These would tend to be people who believe that we have to frighten Sarkozy to win, and that reforms are possible if you get the PS in power. They would like their party to stay on the left, so the left of the PS is much more interested in mobilising than it used to be. Not only are they saying that we need to get the PS into power but that we have to make sure they stay left.

I don't have any detailed information on how much the PS were involved in the mobilisations, but the two people I know who are in the PS have been very much involved in the struggle.

PR: *And the far left – how has Lutte Ouvrière been involved in the movement?*

JM: There are a couple of things that have happened to LO over the past 20 years. In 1986, when there were big strikes the influence of LO on the ground in some industries was stunning. They would get one factory out on strike, they would march to the next factory to get them out on strike and continue. They don't have that influence any more.

There are a few reasons for this. First of all, they have

The recent PCF conference was fundamentally a turn to the right, despite resistance from a significant left minority

been rather pessimistic about the strikes in many ways because they consider the real working class to be the factory workers and perhaps the railway workers and so on, and not, for example, the office workers or teachers or school canteen workers. They support these other groups on strike but they don't feel the "real" working class is moving.

They have also lost a lot of support because they just didn't care at all about a whole load of issues that have really moved people. For example, anti-fascism. When Le Pen got through to the second round of the elections in 2002 and millions were on strike, LO refused to get involved.

Another example is the social forums that were denounced en bloc by LO rather than taken as a kind of radicalisation with lots of contradictions. To give another example, very recently, two or three years ago, LO said, "of course we are in favour of equal rights for homosexuals", however they hadn't seen it necessary in the last 40 years to mention this in their paper!

PR: *So they have not really been a major player in the movement?*

JM: I don't think so, no. For example, when there is a town committee to defend pensions which brings in the PCF and the PdG and the NPA and, sometimes the PS as well if it's a left wing branch, LO will typically not take part.

PR: *The NPA appears to be have been very active in the movement.*

JM: Yes, the organisation really moved into action when the level of class struggle rose. At national meetings in the headquarters, you'll find a couple of train drivers, a couple of nurses, a couple of canteen workers, a couple of bank workers. You've got the whole range of the working class. You just sit there taking notes. You learn so much. It's very good from that point of view.

Also I think the party was right on a number of things – first of all, to really push for the general strike and renewable strikes on the front page of the paper and in every leaflet. It was really the only organisation which did. I always hate to say that because that means the situation is awful. But the PdG did not call for a general strike. LO didn't. The PCF certainly did not.

Second thing, I think the NPA was right to be putting forward the slogan "Sarkozy out now!", whereas the union leaders were saying "It mustn't be a political crisis... we don't want a political crisis... it's not political".

We also did a rather neat little thing with leaflets in the shape of 500 notes with Sarkozy's head on them, and on the back saying "get him out now". "Make yourself rich,

have a problem with people on the left denouncing unions in general, but I wondered whether there wouldn't be a way at least of getting leaflets out on the day of the meeting saying they had to go further. Not denouncing them as bastards, but saying you have got to go further, that now is the time for a general strike.

I thought that the party should have been much sharper on that. The attitude of the union leaders was the key reason the movement didn't go further, and although NPA members know this it was not said sufficiently clearly in public leaflets or in Besançon's many TV appearances. There is the fear of appearing to be divisive.

I also think the party is slow off the mark in organising public meetings, leaving them to a couple of weeks or three weeks' time in the future. I come from a tradition where when things move you get meetings the same week. So I've been a little bit disappointed on that.

Now it's all rather difficult because the NPA is very divided. It's an alliance of different perspectives that can be rather difficult to handle. Certain issues can paralyse the organisation. In many ways it's a network of anticapitalist activists more than it is a party. It's very different from town to town. It's a very federal organisation. So it can be hard. I'm very happy with what the NPA did during the strike but I think there are serious weaknesses that need to be resolved. The conference in February will be looking at how we did in the movement and what to do next.

PR: *How do you think the rank and file can increase their influence over the next course of events?*

JM: We really need to rebuild the unions. The level of unionisation is under 10% which is not only a weakness but also it can mean that union members can have a defensive or sectarian attitude, partly because they get a lot of criticism from people who won't even join the union. I've been in mass meetings where you get people standing up denouncing the unions and they're not even a member. So there are a lot of difficult issues around that.

But there should be some way of getting rank and file pressure up. Obviously, it worked to some extent given that all the union leaders called seven days of action within two months, which is absolutely unheard of. The typical strategy would have been the one we saw at the beginning of 2010 – a day of action every six weeks.

So they have been under one whole load of pressure, that's for sure. Now, will it come back? I don't know. I find it very difficult to know what's going to happen next. I'd like the NPA to be saying much more loudly, "rebuild the unions, recruit to the unions and obviously build an alternative leadership to the union leaders." Otherwise, if we don't do that we'll leave quite a lot of space available for a lot of people on the left in France who defend vaguely anarchist theories.

We need to get people in – we don't want unions which only have only pure left wing people in them. We want unions which have a lot of people who aren't sure about a lot of issues and that can be difficult especially with the particular history of SUD, the left wing union. I would really have liked SUD to stay inside one of the bigger confederations to fight. Nevertheless in some industries it's now a real trade union and not just a red trade union.

The NPA is very divided. It's an alliance of different perspectives that can be rather difficult to handle. Certain issues can paralyse the organisation

get Sarkozy out now!". It's not fundamental but it shows that the party is chirpy and sharp. So I think that a lot of the activity with the Interpros, and a lot of the propaganda like "get him out now" and some criticism of the union leadership – that was good.

But I think what was weak was that we should have been harder on the union leaderships. I wonder if it was possible to have a rally in front of the meeting of the inter-syndicale which was the national meeting between union leaders, on the days when they were taking key decisions about the future of the movement.

This is not necessarily an easy thing to do, since you

Fracción Trotskista: lessons from the class struggle in France

The trade union leaderships let the pension reform pass despite the enormous resistance of the workers and youth.

For nearly two months, the French workers, together with a militant movement of secondary school students, led a massive social mobilisation against the pension reform of President Nicolas Sarkozy. Eight days of mass strikes and mobilisations brought millions of demonstrators out onto the streets; renewable strikes (for an indefinite period) in strategic sectors such as the refineries and the ports, as well as (although to a lesser extent because of the law about minimum services) the strike of the train workers; countless blockades of businesses or public places and oil depositories carried out by workers and solidarity activists; and the irruption of the secondary students and a small vanguard at the universities – all this shocked the French autumn.

However, this enormous struggle, which enjoyed the very broad support of more than 70% of the population, could not prevent the National Assembly (Deputies) and the Senate from approving the reform, signed into law by Sarkozy on 9 November. From now on, employees can enter retirement between 62 to 67 (instead of 60 and 65). With this measure, Sarkozy is trying to send a message to the markets, so that they do not lower the rating of French bonds, and to the capitalists, to show that despite his weakness he will not bow to the unions. But everything indicates that, despite having obtained the approval of the law, he will face stiff resistance in his aim to transform this measure into the first step of attacking other conquests.

The bureaucracy's strategy of wearing people down

Beyond the obstinacy that Sarkozy tried to show, the main factor in the defeat was the reformist leaderships of the trade unions. At no time did the two main unions, CFDT and CGT, demand the withdrawal of the law. They were content to demand that the government enter into negotiations. The CFDT and the CGT, along with the rest of the organisations that formed the Intersyndical (Solidaires, CFTC-CFE/CGC-UNSA-FSU) and FO, had a strat-

egy of wearing people down with isolated days of action which were spaced out almost randomly at the moment of greatest radicalisation, which led to the isolation of the sectors on strike and to their collapse.

Thus, the massive days of mobilisation were losing strength and power of attraction, as shown by the last day of action on 6 November. The call for a new demonstration on 23 November, after the law had already been passed, is part of this same flawed strategy of "pressure". In this way, they blocked the tendencies toward a general strike which were posed by the renewable strikes by different sectors of the workers, and allowed Sarkozy, despite his weakness and the great unpopularity of his government, to get the law passed.

Embryonic tendencies towards self-organisation

In addition to the blockades and the renewable strikes by key sectors of the workers, such as at the refineries, although the national trade union leaderships did not call for a strike, another element that showed the potential of the struggle was the tendency towards self-organisation that emerged, albeit belatedly, in the course of the process.

This tendency was expressed in the Interprofessionelles, whose characteristics varied by region and city. In these Interprofessionelles, the best activists from the various sectors on strike met, in many cases together with secondary school youth and the university vanguard, to discuss local actions and seek links of coordination at the zonal and even national level, which culminated in the meeting of 6 November in Tours, with 22 delegations from all across France.

Among these, the most advanced was in the port city of Le Havre, which in the most critical moments came to acquire elements of a coordination of the committees and the sectors on strike, attended the Interprofessionelle with mandates, published 17 strike bulletins until 5 November and gathered nearly €20,000 for the strike fund.

Although these tendencies were embryonic (even though more extensive than in the strikes of 1995) and could not overcome the fragmentation of the trade union representations or present an alternative to the false "trade union unity" with those who betrayed the struggle, they are an important experience for future struggles.

A profound process

Despite the defeat suffered, the vote on the bill is unlikely to be sufficient to close the profound process that this struggle has shown, with the entrance onto the stage in a powerful way of key workers from the private sector, combined with the explosive role of the secondary school students, a convergence which frightened the government, the bourgeoisie and even the leaderships of the trade unions.

Although the trade union leaderships could impose a return to work in key workplaces such as the oil refineries or the waste collection companies, this task was by no means simple for them. To give some examples: workers at

the port terminals of Fos-Lavera (Marseille) were on strike for 33 days, voting to return to work only on 27 October; at the Donge refinery of the Total Group, the trade union bureaucracy had to employ a secret ballot to end the strike on 28 October, as well as in other refineries.

Similar reactions were had by workers at the waste collection company in Marseille, who reluctantly agreed to the order from FO to end the strike which had seriously deteriorated the sanitary situation, in the face of

“What is radically new is that private sector workers entered onto the stage en masse and where they had the power ... they exerted it with determination”

pressure by scabs of the “sacred union” of the right and the PS itself.

Among the refinery workers, where assemblies that voted to continue the strike had been massive, the mood is one of anger. As expressed by an article in the newspaper *Le Monde* (29.10.10), “Strengthened by their new solidarity, the workers do not want to give up, despite the return to work”.

More generally, in the private sector of small and large companies, most of whose workers did not go on strike, the overall movement seems to have provided new inspiration which can encourage future struggles about wages, working conditions and restructuring (closures and layoffs), as feared by some sectors of the capitalists.

As the researcher Evelyne Perrin says: “What is radically new is that private sector workers entered onto the stage en masse for the first time, and where they had the power to block the economy (oil refineries, ports), they exerted it with determination and exceptional durability ... Using this decisive power, this ability to block, which was new, has brought a new vision.”

This strong impulse has led symptomatically to some sectoral demands in certain workplaces and even now, despite the new stage, public sector workers such as at the Pole Emploi agency conducted a strike with a high level of participation. Very neglected sectors, such as temporary, non-teaching personnel at the elite school ENS in the heart of Paris are demanding the transfer to permanent contracts and salary increases with the support of the students, a conflict in which students and former students of the Collective for a Revolutionary Tendency (CTR) of the NPA are playing a prominent role.

The will of the majority of workers and youth to say “basta”, to not let the pension reform pass (the first of a series of reforms and attacks that will mean a qualitative leap in the worsening of their living conditions),

changed the air of these times. This change is profound and it is difficult to divide it from the end of this stage in which Sarkozy can show that he triumphed – but at what a cost!

The extreme left was not an alternative to the union bureaucracy

Faced with such social movements and the reformist pressure politics of the trade union leaderships, the French “extreme left” was no alternative. LO was opposed to raising the slogan of a general strike and throughout this entire conflict had a policy of tailing the trade union leaderships and completely subordinating to them. In the editorial of November 8 its leader, Arlette Laguiller, continued saying that “the trade unions, due to their successive calls for mobilisations, have allowed the movement to emerge.”

Their balance sheet is not that the defeat is due to the politics of the reformist leaderships, but that this enormous mobilisation is taking place in the context of a relationship of forces unfavorable to the workers, although the situation recently might have begun to change a little bit ... They argue in this way despite the great unpopularity and weakness of the Sarkozy government and especially despite the massiveness of the protest movement that just shook France.

As for the NPA, while many militants were involved in the first line of the blockades and the official position was for the withdrawal of the law and the expulsion of Sarkozy, their orientation was not centred on the call for a general strike and in practice there was no unified political direction. Their spokespeople, such as Alain Krivine and Olivier Besancenot, did not make the slightest public criticism of the politics of the reformist trade union leaderships. Nor was it the orientation of the leadership to actively promote the movement of interprofessional assemblies, except in some sectors.

We who form the CTR of the NPA participated in the process with all our forces, clearly stating the need of the call for a general strike in the fight against the reform and against the government of Sarkozy, the need to extend self-organisation through general assemblies, strike committees and inter-professional coordinations with mandates, the unity between workers and secondary school and university students as part of an orientation to overcome the divisions and the pressure politics of the official leaderships. This is part of our struggle to move toward a revolutionary NPA, rooted in the working class and the youth.

by Juan Chingo, FT-CI (www.ft-ci.org)
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The world economy in the balance

Keith Harvey and Bill Jefferies answer some questions being posed by US-China relations, the crisis in the Eurozone, the global recovery and the future of banking

Will growing tensions between China and the US lead to economic nationalism ripping the world economy apart?

On 1 November, as the US Federal Reserve prepared a new \$650bn monetary injection into the US economy (known as quantitative easing – QE2), the Chinese Commerce Ministry commented:

“The continued and drastic US dollar depreciation recently has led countries including Japan, South Korea, and Thailand to intervene in the currency market, intensifying a ‘currency war’. In the mid-term, the US dollar will continue to weaken and gaming between major currencies will escalate.”

China, the largest holder by far of US government debt – with around two-thirds of its \$2.6tr foreign reserves denominated in dollars – is more than a little annoyed at Uncle Sam’s blatant depreciation of its national debt. By printing money through QE2 the US aims to drive down its currency while radically reducing the real value of its foreign debt denominated in dollars. At the same time

the lower dollar aims to boost US exports at the expense of foreign rivals.

The global economic slump during the winter of 2008-09 followed a three decade long upward trend in profitability that saw the rate of profit¹ in the imperialist countries of the global north reach levels not seen since the 1960s boom².

The wholesale shift of manufacturing production to the newly restored capitalist powers of the former Stalinist states resulted in the emergence of China as a global power. China produced low cost exports for the western consumer market and used the Asian giant’s excess profits to purchase western government debt, thereby keeping interest rates low.

A reckless and widespread asset boom-come-bubble ensued, financed by the resultant cheap and abundant credit. The essential imbalance of globalisation, developing since the turn of the millennium, was the underlying cause of the credit crunch and continues to shape and hamper the recovery today.

Whether the rhetorical trade war is transformed into a real one depends on the extent to which an emergent Chinese imperialism poses an immediate challenge to US hegemony.

Is there a world recovery today or an ongoing slump?

By the summer of 2010 world industrial production, trade and profits³ had all either reached or exceeded their previous peaks.⁴ This recovery is powered by a boom in the emerging markets – the so-called BRICs: Brazil, Russia, India, and China, as well as Latin America, Africa, Asia, and major exporters like Korea. Of the imperialist world Australia and Germany have joined this recovery surge. Altogether these countries account for more than 40% of world output by value.

The relatively anaemic recovery and even stagnation in the other imperialist nations and particularly the USA will not prevent world growth surpassing an estimated 4% this year.

China boosted its economy like no other during the recession, by increasing the proportion of fixed asset investment in its domestic economy to 42% of GDP (\$2,388bn) in 2010. Its imports shot up by 46% to reach \$1,396.6bn this year. China is building twice as much high speed railway as the rest of the world put together.

Industrial production increased 17% year on year and its economy as a whole expanded 9.1% in 2009 accelerating to an annual 11.1% pace in the first half of this year.

During the last decade China's nominal dollar GDP grew at an average rate of 16% a year, to increase five-fold and shows no signs of slowing. Standard Chartered bank recently forecast that by 2020 its dollar GDP will exceed that of the US⁵. But ten years is a long time in politics.

At present its \$6tr economy,⁶ while already the second largest in the world, remains only around 40% of the dollar value of US output.⁷ In the years up to 2008 China allowed its currency to rise by 21% against the US dollar, but with the collapse of trade over the winter of 2008-09 it put further rises on hold. The renminbi only recommenced its rise this summer and then only incrementally. It is up 3% against the US dollar since then.

Exports as a proportion of GDP stand at around 28%⁸ of Chinese output. This is much reduced from 37% just

by predominantly US-owned multinational corporations – Apple, Dell, Hewlett Packard, GEC, to name but a few.

One third of US profits are now created abroad and even this understates US foreign profits; by buying goods cheap, retailers like Walmart make massive profits though unequal exchange, as they sell them above their value in the US. A trade war against China would directly hit the profits of these very powerful US corporate interests.

The recovery in world trade has in its turn led to a sharp rise in raw materials prices worldwide. Metals and food are trading near the peaks of the previous boom in 2008 and oil is around \$90 per barrel (pb) – about 60% of its former high, but three times the \$30 pb that it fell to during the depths of the crisis. This has enabled the emerging markets to boom again, with investment in their infrastructure often supported by China.

But isn't the US still stagnating and running high unemployment rates?

The expansion of these new markets has exposed the chronic weakness of the economies of the global north with their over dependence on financial services, construction and consumption.

Outside of Germany and South Korea, the west's manufacturing sector is so enfeebled that in spite of multi-decade record increases in output it has still not been fast enough to pull up their economies as a whole.

The US economy has experienced five successive quarters of growth since the end of the recession in mid-2009 but the economy has not expanded fast enough to significantly reduce unemployment: it remains at 9.6%. Indicators now suggest that job growth is picking up – new unemployment claims are slowly falling and October saw 150,000 new jobs created, the largest amount in months.

One reason for the stubbornly high unemployment is that US bosses have taken advantage of the crisis to win outsize productivity increases from their working class. The US bosses have sought to complete the demolition of the unions begun under Reagan in the 1980s. For example the US government has combined with the major multinationals to smash up the terms and conditions of the US auto worker unions' sector.

Two of the three major car manufacturers, Chrysler and General Motors, were nationalised on condition that the United Auto Workers (UAW) "give back" many of the gains won over the years. The UAW, far from being the fighting organisation of the 1930s, agreed the deal. The pay levels of new employees has been reduced to those of Japanese rivals Toyota, Honda and Nissan. Much of the protection previously won by US car workers during periods of unemployment was abolished and pension rights were markedly reduced.

The other major auto maker Ford avoided nationalisation but used the settlement at GM and Chrysler as a template for its own workers, where a similar, although not quite as bad, deal was agreed.

In return GM received around \$50bn of government aid. The government has already been repaid \$9.5bn of

The expansion of emerging markets has exposed the chronic weakness of the global north's overdependence on finance, construction and consumption

two years ago, but exports remain a central component of China's growth plan.

However, profit margins on most export goods are narrow due to over-capacity in many lines and any major increase in the value of their currency could lead to factory closures and job losses. Over the winter of 2008-09, as trade briefly collapsed, 20 million workers in export industries were laid off. This is one of the main reasons why the Chinese government is so resistant to US demands that it revalues its currency.

But the dependence is not simply one way, since the US needs China too. In spite of all the rhetorical objections of Washington, about half of Chinese exports are produced

its money and will likely break even on the deal. But while the loan was temporary the job and pay cuts will be permanent.

This pattern of give-backs has been repeated across the economy, with employers slashing the labour force and making existing employees work much harder, hence the increase in unemployment even while profits are pushing record levels.

Estimates for government losses on the Troubled Asset Relief Program (TARP), the \$750bn bail-out provided for the financial sector by the Bush administration, have fallen as low as \$5bn, as the rise in financial stocks has enabled the government to offset losses with significant profits on the sale of its stakes in the likes of Citigroup and Goldman Sachs.

But US capitalism not only wants its domestic working class to pay for the crisis, it wants its subordinate foreign capitalist rivals to do so as well. Much of US government debt is owned by foreign nations and in particular China, which holds around \$1.8tr foreign exchange reserves in the form of US government debt. While the US bank bail-out will pay for itself, the slump in tax receipts during the recession and increased expenditure on welfare benefits has seen the US government's budget deficit spiral, exceeding \$1tr in 2009 and 2010.

That may sound like a lot of money. But the US capitalists have absolutely no intention of paying it back. Nancy Pelosi the leader of the Democrats in the House of Representatives has said the \$3-8tr in deficit reduction plan of Obama's specially appointed advisory committee have "no chance" of getting passed.

The US authorities, Ben Bernanke and the Federal Reserve have an alternative plan. By printing money they can ensure that it is the foreign owners of US debt who pay for the US recession.

The Federal Reserve has already printed \$1.7tr of treasuries in the first round of QE, effectively diluting the value of its creditors' assets or, putting it the other way round, its own debts, by around 15%. As a result the US Treasury has doubled its earnings from these assets to around \$76bn this year and has just begun QE2.

Initially QE2 will be at a rate of about \$80bn-\$100bn a month, or enough to pay entire cost of the US government's budget deficit, with an initial \$600bn to June 2011 – but this could possibly rise to \$2tr thus reducing the value of US government debt by a further 5%.

Hence the frantic cries of the Chinese state capitalists and their urgent discussion about how to shift their reserves out of the dollar into the euro, gold or oil.

The problem is that any rapid de-dollarisation of Chinese debt will see the dollar fall and in its turn reduce the value of China's dollar debt holdings further, while their monthly trade surplus is so large they simply have to put it somewhere. The US has got them over a barrel.

This blatant scam is being combined with a ratcheting up of nationalist rhetoric against China and the threat of tariffs against Chinese imports. The US Congress is considering various pieces of legislation to do just that and Tim Geitner, the US Secretary of the Treasury, is considering whether to brand China a "currency manipulator", accusing it of holding the renminbi too low.

In other parts of Asia with no fixed exchange rate policy the currencies are strong as would be expected due to the high rates of growth and profits there; net inflows into emerging economies this year will reach \$825bn, up from \$581bn last year.

But China has made it clear a rapid rise in its currency is out of the question and combined it with unofficial sanctions against Japan, temporarily prohibiting the export of rare earths, key raw materials in the production of batteries, of which China controls 97% of world output.

In essence then, the conflict is about which country

Any re-balancing of the world economy will be slow and not nearly fast enough for the US but there is precious little Washington can do about it

(or bloc of countries) is going to pay most for the crisis and recovery. In past crises the asymmetric power of the US and the rest of the capitalist world ensured the US's allies bowed to the pressure. For example, in 1985 Japan agreed to re-peg the yen higher against the dollar, which led to an export-based recovery in the US. But it also led to a surge of foreign money into the higher value yen, which in turn led to a massive property bubble which then bust in 1989, from which Japan has never fully recovered. China is immune to this pressure, since unlike Japan it does not have thousands of US troops and bases on its territory.

Will a new balance in the world economy sustain growth and stable relations between China and the US?

The main argument in the economic press in Europe and US about how to deepen and broaden the recovery in world capitalism centres on how to restore "balance" to the global economy. The credit crunch and the recession that followed appeared to threaten that model but as the recovery has continued the old global imbalances have reasserted themselves.

In spite of US consumers "retrenching" (that is increasing their savings) and US businesses "deleveraging" (taking advantage of cheap money to reschedule or pay off corporate debt) the US trade deficit has steadily risen this year as US consumption has revived and import growth outstripped exports.

Home repossession and mass unemployment has sucked demand right out of the economy and the effect of the huge (\$750bn) fiscal stimulus that Obama injected into the economy in 2009 is rapidly fading. So the US will struggle to recover its dynamism, unless new areas of demand

in the emerging markets offset the slow down in its own domestic demand.

China will allow its currency to slowly appreciate, after all a stronger currency will reduce the price of imports, lower inflation and reduce the purchase price of foreign assets. But it will not do so overnight since it must avoid a slump in exports (and jobs) and the rapid devaluation of its US dollar denominated assets.

So any re-balancing will be slow and not nearly fast enough for the US but there is precious little Washington can do about it. China owns its domestic banking sector. It tightly controls key infrastructure and raw materials firms. It is overseeing the rapid upgrading of technology across its economy. The western powers are selling it the capital goods needed to transform the technological basis of its economy into that of a fully-fledged imperialist power.

Balance or equilibrium in national or international economies is not a normal state of affairs; it is not reached as a result of some gentleman's agreement. Rather it is a passing moment in a constant state of change, of disequilibrium, of conflict.

China is undergoing the same kind of transformation that the US undertook in the second half of the nineteenth century: a continent-wide capitalist expansion that shifted through the gears to turn the country into the pre-eminent imperialist power by the end of the First World War.

Is the euro likely to break up under the strain of the financial crisis? What are the prospects for a sovereign country default in the eurozone?

In April and May this year a severe economic crisis in Greece threatened to bankrupt the government, spread to other weak eurozone countries such as Portugal and Spain, and even place a question mark against the continued existence of the single currency among its 17 members.

The root of the problem lies with the origin of the single currency in 2000. Building on the success of the single market inside the European Union after 1986, a core group of 11 countries led by Germany and France got rid of their national currencies, adopted the Euro and created the European Central Bank with the power to control the money supply and set interest rates for all its members. However, fiscal policy, the power to tax and spend, remained in the hands of the national governments.

The eurozone is a "growth and stability pact" agreed to limit budget deficits to 3% of GDP and the ratio of public sector debt to GDP to 60%, but with no enforcement mechanism and no sanctions for breaking the rules. Almost immediately in 2001-02, France and Germany bust the

China is on the same path. Whether or not it is destined to get there is another question. The irony is that a shift towards making domestic consumption the driver of capitalist growth in China will by necessity accelerate China's development towards being a serious imperialist rival to the US, something which, at the moment, is only incipient. China today only commands 6% of global foreign direct investment, even though it possesses some of the world's largest companies by market value.

The more the consumer market in China resembles that of Europe and the US the more a sophisticated financial sector will develop with pension funds, insurance companies and deep capital markets – all of which arise on the back of tens of millions of households with savings which need recycling through the financial system.

In short, a real Chinese finance capital will emerge with far-reaching investments all over the world. China's banks have tripled their overseas loans to \$500bn in the last five years and Chinese oil and mining companies have been busy in the last years buying up foreign firms in commodity sectors to guarantee a stable supply of raw materials and energy to their economy. The \$2.6tr foreign reserves are used as a cash cow to buy up all these assets.

In sum, we are living through a transitional period in world capitalism where the centre of dynamism and growth is shifting slowly but visibly way from North America and Europe, towards a Chinese (and India) centred Asia.

limits as they struggled with the economic fallout of the 2000-01 dot.com recession.

When Greece joined the Euro in 2003 the government blatantly lied about its deficits (Greece had only ever had a budget deficit of 3% or less once before, back in 1990) but Brussels turned a blind eye as politics triumphed over economics – the need to bind the weaker southern European states with the stronger northern ones in a single market.

The boom after 2003 masked the underlying problems. Germany, worth around a third of euro output alone and the largest exporter in the world at the time, held down wages, increased its export competitiveness and ran big surpluses. Meanwhile Greece, one tenth the size, plodded along losing markets and competitiveness but running up (and hiding) bigger and bigger debts while sustaining significant public sector commitments. And Ireland, even smaller than Greece, sucked in foreign capital (attracted by its 12% business tax rate) while the banks lent recklessly to property developers to finance a massive housing bubble that bust in 2008. Leaving Irish banks with huge and unserviceable debts.

After the financial crash of 2008 and recession of 2009 Greece's public finances went into freefall. It took the election of a new government in October to own up to the scale of the historic fraud and corruption: in 2009 its budget deficit reached 15% of GDP. By April this year the bond markets that finance government debt were refusing to buy Greek bonds or demanding hideously high interest rates as they priced in the risk of default on the repayments.

Greece turned to the ECB and the IMF for help. On 11 April they promised Greece €45bn bail out funds. But it was too little too late. Ten days later the situation turned critical and Greece was on the verge of defaulting on its sovereign debt to commercial lenders (mainly other EU banks), thus forcing them to take a big loss on those loans. Already the Greek population had taken a huge hammering with welfare, pension and pay cuts in order to trim the deficit; but making the bankers pay too was altogether a different matter.

Yet the eurozone states were in conflict over the bail out. France wanted an immediate bail out (shared with the IMF) but overseen by the ECB. Germany, as the biggest contributor to any bail out then and in the future, did not want to cede control to the ECB.

Delay and wrangling saw panic spread in the bond markets, engulfing Ireland, Portugal and Spain which were threatened with being sucked into the same downward spiral as Greece. Eventually in early May a €750bn fund was established, available to all 16 eurozone countries. It was underwritten by Germany, France, the UK, US and IMF, and the ECB added to this a plan to buy government bonds itself if needed.

This stabilised the situation over the summer and early autumn and Portugal, Greece, Ireland and Spain all announced further savage budget cuts in welfare and pensions to further calm the financial markets and reassure the banks and pension funds that despite their risky lending they would not be expected to write down the value of their loans and they would still get their repayments on time.

In October panic returned to the financial markets as the Irish government's finances deteriorated further despite two savage public expenditure cuts programmes last year and this and a further one promised for December.

In November interest rates on Irish bonds jumped to 9% (6.2% above German safe bonds), reflecting market fear of a default by the government and increasing pressure on the Dublin government to call upon the €750bn back-up fund.

Dublin resisted for two reasons. Firstly, it had a €20bn cash pile and no need of bond market funds until well into 2011 to finance government debts. Secondly, because the terms for borrowing funds from the ECB would be costly and come with conditions, such as raising its ultra-low corporation tax rate, which Germany seeks and which would eliminate one of Ireland's key points of attraction to multinational corporations and so undermine future growth prospects.

Despite Dublin's cash pile, however, the country's finances were in a mess. Ireland's bankrupt banks are nearly all government owned, having been bailed out by the government with taxpayers' money. But these banks' property assets are so poor that they cannot raise money from the international money markets.

In November the ECB and IMF stepped in with a rescue package to the tune of €130bn, equivalent to the whole of Ireland's GDP.

The reluctance of Germany and France to insist on an orderly sovereign default on sovereign loans in Greece and Ireland is largely due to the debt holdings of French and

German banks. Since the credit crunch they have been slowly writing off their bad loans and recapitalising; they might now be able to afford these losses. But since when have private banks willingly accepted their losses when they can pass them onto the state?

The existence of the €750bn bail-out facility backed by EU government guarantees and the ECB means a sovereign default is very unlikely. A bail out will always be preferable to general default and the possible collapse of the euro.

What happens after the fund expires in July 2013 is

The impact of one or more peripheral EU states exiting the euro would be great on the single market and major political blow to the position of the EU

not so clear. European governments hope that by then the sovereign debt crisis has been resolved on the backs of the workers of Europe through savage spending cuts, and further protection for Europe's banks will not be needed.

But a sovereign default of one or more countries is not entirely excluded. A massive series of social explosions by workers and the middle class that refuses to endure more and more social cuts in order to guarantee funds are available for banks' repayments, could force the EU and ECB to oversee an "orderly" default where banks lose a third or more of the value of their loans.

In Greece, for example, the austerity plans envisage that the government runs a budget surplus by 2013 at which point the pressure to service its debts (70% of which are held by foreign creditors) lessens dramatically and opens it up to more pressure from below to default.

The euro will almost certainly survive the current crisis. The impact of one or more peripheral EU states exiting the currency would be great on the single market and major political blow to the position of the European Union in world capitalism.

But a genuine resolution of the crisis would require moving towards a common fiscal union, so that tax and spend policies are harmonised throughout the zone and prevent panics erupting in the financial markets as question marks arise over the solvency of the weaker members of the single currency.

The French government would like to move in this direction, but Germany resists, its export-led recovery means it is increasingly unwilling to subsidise weak member states. It does not need their markets when the whole world is open to it. Berlin prefers to convince the 16 member states to adopt much stricter controls and sanctions so that each state lives within its means or suffers punishment if not, including withdrawal of subsidies, voting rights and other measures. Already, a system of greater scrutiny by Brussels bureaucracy and other member states of the finances of eurozone members is in place.

But the whole EU project is founded upon the premise that the member states only surrender that amount of sovereignty over decision-making that serves its national self-interest. The disparity and unevenness between capitalist states that make up the eurozone today (and even more so in the future when further countries join) ensures that a complete fiscal union is beyond it. Rather, a series of further

crisis management measures, ones whose shape conforms to the realities of power within European capitalism, are all that are likely to emerge in the years ahead.

But this lack of ambition will hamper the further development of the EU as it seeks to compete in the world market and on the world stage with the federal US on the one side and rising, dynamic Asia on the other.

Have the underlying bad debt problems of the international banking system that lay at the heart of the credit crunch and Great Recession been resolved? Will credit expansion be restored to previous levels? What regulatory changes are in place or in the pipeline to prevent further financial crises?

The banks were the villains at the heart of the great crash of 2008. Not satisfied with the tens of billions of dollars they made each year the big investment banks spent the opening years of the 21st century devising exotic, barely understood, financial products in order to enjoy large profit margins on highly risky trades based on US mortgages.

When it all crashed and burned in 2008 the whole global financial system stood on the brink of collapse. Money markets and credit dried up as no-one knew the size and location of debts weighing the markets down.

In September 2008 the US government intervened to prop up the stricken banks and other financial institutions at the taxpayers expense. The banks' losses were socialised as all – save Lehman Brothers investment bank – were deemed “too big to fail”.

When the dust settled a new government mantra could be heard in New York, London and Frankfurt: “never again!” All manner of reforms were mooted. Banks would be broken up, regulatory bodies would be beefed up, bonuses would dry up, reckless risk-takers would be locked up. So in September, after a year or more of deliberation, and in some cases legislation, the Financial Times' economics editor summed up progress so far and concluded:

“The banks pushed the [US] into a crisis, got bailed out, and walked away scot-free. Bank profits are surging. The new financial rules . . . have been shaped by the industry to spare their inconvenience.” (FT 13.09.10, p11)

The package of central bank measures approved at the G20 in November (Basel III) increases the banks' capital reserve levels set against possible bad debts. In the 1980s

and 90s it was gradually lowered to 2% of the loan book, but it is now to be raised to 7% and the risk quality of the capital increased at the same time. Not to be fully implemented until 2019, it may just be ready for the next financial crisis. Most experts agree that a 12% ratio is needed to cover the costs of a crash: between 2007-10 US banks lost 7% of their assets.

Harsher proposals were tabled in January but as a result of heavy lobbying by banks and their weight inside governments, they were watered down. As another FT writer concluded: “The pledges of co-ordinated international action to reform global finance made in the immediate aftermath of the crisis have proved empty” (FT 15.09.10, p13)

In the UK a commission on financial reform will not report for another year and is unlikely to recommend the separation of high street deposit taking banks from investment banks, or the break up of banks into smaller units so that none can be “too big to fail”.

Moreover, many commentators anticipate that since the new rules and regulations only apply to the banks, all that will happen is that many of the risky operations will be hived off into non-bank financial institutions that will escape the supervision and controls that apply to banks. Already Goldman Sachs and others are doing this.

Meanwhile, as the seeds of future financial crises are being planted the banks are only slowly restoring credit to industry and trade. Their priority has been to raise their reserves and increase their profit margins, which has restricted the supply of credit and increased its cost to borrowers. Inevitably this has dampened investment and consumption in the real economy and hampered recovery in the US and Europe.

This and the modest increase in capital reserves going forward is likely to restrict global credit growth and hence economic expansion in the developed industrial economies, making it more difficult for them to escape stagnation.

We have come a long way from the winter of 2008-09 when the calls for nationalisation of the failed banks and other crippled financial institutions were being heard even from staunch pro-business politicians. But nationalisation of the whole banking sector and the “shadow banking” sector is the only way to ensure that profit-fueled risk-taking and anarchic decision-making does not bring about another system-threatening economic meltdown.

Credit creation and credit allocation must be placed in the hands of a democratically controlled and worker-led central agency that first decides what kind of goods and services are needed and ecologically sustainable: in other words, a socialist, non-market plan.

ENDNOTES

1. Michel Husson reviews the debate on the falling rate of profit here The debate on the rate of profit International ViewPoint n°426, July 2010 <http://hussonet.free.fr/debaproee.pdf> He convincingly demonstrates that the widespread assertions of the Anglo-Saxon Marxists that the rate of profit has shown a general tendency to fall over the last three decades have no empirical basis and are just plain wrong.

2. Alex Callinicos recently said that this crisis which followed what the Economist called, from 2003-2008, the strongest boom in the history of capitalism, "...is the consequence of a much more protracted crisis of overaccumulation and profitability. This is the latest phase, just as in the 1930s the depression went through a succession of phases." The boom was a phase of the depression, the recession was a phase of the depression and the recovery is a phase in the depression. The next boom will also be a phase of the depression. And so on ad infinitum for ever and ever.

<http://www.socialistworker.co.uk/art.php?id=21459>

3. Andrew Kliman has published a new piece on the crisis (<http://www.marxisthumanistinitiative.org/wp-content/uploads/2010/10/a-crisis-of-capitalism-rvscd-1027101.pdf>) that includes a rate of profit series that purports to show a relentless downward trend in profitability over the last two decades. This is in contrast to his previous series which showed a dramatic rise in profits up to 2007. <http://akliman.squarespace.com/storage/Kliman%20Destruction%20of%20Capital%20web%201.31.09.doc> Kliman's new rate of profit series divides historic fixed capital by "property income", Kliman defines "property income", as "the share of corporations' output (net value added) that their employees do not receive." Kliman says this is a proxy for surplus value. That may be fair enough, but the rate of profit is not the same as the rate of surplus value. The rate of profit is measured by dividing the entire mass of surplus value by the total of capital investment including circulating constant capital. Kliman's calculation counts circulating constant capital

as "property income" or profits, leading to an overestimation of profits and an underestimation of capital expenditure.

This might not matter if circulating constant capital had remained a constant proportion of value added over the years. But it has not. The proportion of circulating constant capital has fallen over the last three decades due to the move from manufacturing to services in the economy and the introduction of more efficient production techniques. Consequently, Kliman's series overestimates older profit rates and underestimates current ones.

In terms of value added the proportion of circulating constant capital is much larger than depreciation and a very large if not the largest part of constant capital. By excluding raw materials or circulating constant capital from his calculation Kliman's figures are chronically skewed. What is more by limiting his series to US domestic value added Kliman excludes foreign profits, which are particularly important in the USA now accounting for over 30% of US imperialist profitability.

4. <http://www.cpb.nl/eng/research/sector2/data/trademonitor.html>

5. Standard Chartered The Super Cycle Report November 2010

6. <http://www.dbresearch.com/servlet/reweb2>.

ReWEB?rwnode=DBR_INTERNET_EN-PROD\$ASIA_

MAP&rwoobj=CHN.nalias&rwsite=DBR_INTERNET_EN-PROD

7. Based on the alternative Parity Price Purchasing (PPP) measure of GDP it is anticipated that China's economy will surpass that of the USA by 2012.

8. This is exports divided by GDP. This proportion can be confusing as it is comparing sales with value added. As around half of Chinese exports are re-exports of imported components this figure overstates the importance of exports to the Chinese economy. Adjusting for imports and value added the actual proportion of Chinese GDP dependent on exports is probably closer to 10%. Still very significant but not decisive for the economy as a whole.

Irish economy

On 27 November 100,000 people marched in Dublin to protest against the IMF-EU designed package of savage cuts to make them pay for the crimes of their bankers, property developers and political leaders. Maureen Gallagher explains how the Celtic Tiger collapsed

"You say cutback, we say fight back! Cutback! Fightback! Cutback! Fightback!"

It is Thursday, 18 November, and the IMF arrives in Ireland. More than a thousand third level students in Galway take to the streets to protest, and to fight the austerity plans. In the Irish parliament, the Dáil, Eamon Gilmore, leader of the Labour Party, echoing the mood of the opposition and many Fianna Fáilers, says: "This is the blackest week for Ireland since the civil war, this government has brought us to the point of receivership."

The IMF will preside over viciously draconian cuts in the services and jobs of the working class [see box] in return for a bailout package of tens of billions of euros. Public sector pay and jobs will come in for further slashing, retirement ages will go up, there will be a wholesale drive towards privatisation, with what's left of state assets put up for sale.

"Only the 12.5% corporation tax is non-negotiable," says Tanaiste (Deputy Prime Minister) Mary Coughlan, representing the bourgeoisie's abject attitude towards the profit-making foreign multinational exporting sector, who are lured in by the very low corporation tax, and who then siphon most of their profits back home.

Ireland's fiscal position grabbed world headlines in mid-November. Market interest rates on payments in return for Irish government bonds rose to nearly 9%, higher than Greece at the time of their bailout in April/May this year.

EU leaders got nervous and in an attempt to pander to German taxpayers' hostility at the idea of paying for the "profligacy" of the Irish, Greek and Portuguese, the German chancellor Angela Merkel, proposed forcing some of the pain onto bondholders.

Ireland's bond yield rose to over 9%. It fell back to 8.2% only when it was agreed this wouldn't happen before 2013 and then only on new loans.

The backdrop to all this is the Irish government's guarantee in September 2008 to underwrite all Irish banks' bad debts, a drastic measure it deemed necessary otherwise there would be no functional banking system, liquidity would dry up and business would fail. Two years on we have no functional banking system, liquidity has dried up and businesses are failing.

The property developers' party, Fianna Fáil, continued to argue until the end – ostrich-like – that it had enough cash reserves (€20bn) until the middle of next year to finance the projected budget deficit. Until then

in freefall

it would not have to test the sentiment of the markets for Irish debt.

All this would have been fine except for the small matter that the government's commitment to stand behind the banks' bad debts had been unconditional i.e. unlimited – and these debts were now growing as the recession deepened.

Irish banks had already accessed funding of billions of euros from the European Central Bank and were, by November, highly dependent on this support, since the money markets were not prepared to lend to the banks. Now the ECB signaled it wanted to see this support reduced.

In addition, the ECB and other EU countries feared that without resolute and immediate action over Ireland's worsening fiscal position "contagion" would spread to other weak EU states such as Portugal and Spain.

A Portugal bail-out would probably not bust the €750bn EU stability fund agreed in May, coming on top of the Greek and Irish handouts, but if it comes to it propping up Spain this may well mean the money runs out and Germany's government is in no position politically to finance the bulk of a further EU bail-out fund.

That may well stretch the euro to breaking point, since the only means left of allaying the bond markets' fears then would be for the Club Med/Celtic basket cases to leave the Euro, devalue their currencies, thereby restoring their competitiveness and so kick-start growth and with it the ability to service their debts.

Property bust

Irish banks lent prodigious amounts to property speculators (there are 200,000 second homes in a country of four million people) and when the bubble burst property prices crashed (40% down on 2007 peaks in many cases).

Add to this a doubling of unemployment to 10% plus and this adds up to an awful lot of unpayable mortgages. There has been a massive destruction of wealth in this country – as much as €250bn, by some estimates. People, many retired or near retirement, who put their savings into property here and abroad as security for pensions, have seen those savings wiped out.

Others, who succumbed to the reckless banks lending and took equity out of homes or borrowed to invest are now saddled with massive personal debts.

Twenty percent of Irish home ownership is in negative equity and over 40,000 in arrears, many doomed to fore-

closure. Banks have been forced to give a year's grace for home repossessions and periods of interest-only repayments which means the full dimension of the crisis to come are still hidden. But next year when property and water taxes have been introduced, and when interest rates begin to rise, as they surely will, then the personal debt crisis has the potential to explode.

The banks naturally will never see much of the money they lent. The National Treasury Management Agency set up by the government to purchase banks' bad debts has

Twenty percent of Irish home ownership is in negative equity and over 40,000 households are in arrears, many doomed to foreclosure

bought nearly €60bn of these toxic debts at a huge 65% discount, but it is the likely scale of future losses that spooked the markets and led the big bond purchasers (e.g. asset management companies, pension funds) to believe this tsunami of debt would simply overwhelm all and any Irish government "guarantees" to stand behind the banks.

Austerity plan

The Fianna Fáil government have prepared a budget of punitive cuts of 6% for early December, as part of a four year austerity plan to reduce the budget deficit of €15bn (probably more) to reach the EU target of 3% of GDP by 2014.

The government has plans for "additional significant reductions over the next five years" in public sector jobs, pointing to the recent voluntary redundancies in health of 5,000. "We have maintained services with dramatically fewer people and this represents a substantial gain in productivity in the public services" claims Taoiseach Brian Cowen. He plans to abolish half the vocational education committees (VECs), replace the state training agency (Fás). A revised pension scheme for new entrants to the public service is to begin in January 2001. Fianna Fáil is determined to break the link between public sector pay and pensions.

"Public Sector pensions should be the first prime target..." writes John O'Hagan in the Sunday Business Post, saying it's time pensioners shared the pain.

But the government is also keenly aware of the unpopularity of touching pensions, and knows how important and vocal the grey vote is. In 2008 there was a massive demonstration of the over 70s in protest against the removal of their medical cards, which forced a partial climbdown. Lobby groups for the elderly have stepped up a campaign in recent weeks while Fianna Fáil backbenchers have warned of a revolt if the state pensions are touched.

The opposition

Fianna Fáil are reviled now as the party that has brought "shame and humiliation" on this country. The Donegal by-election is certain to reduce the government's combined majority to two votes, leaving the coalition exposed to pressure from independents Michael Lowry, Jackie Healy-Rae and the Fianna Fáil backbencher Mattie McGrath. The game is up for them, even if they manage to survive the budget.

"It's like the last days of the Roman Empire around here," Pat Rabbitte said in the Dáil on 10 November, when bond yields for Ireland went through the roof. A new election for January has been demanded by Fianna Fáil's coalition partners, the Greens.

Workers should have no illusions they will fare any better under a Fine Gael/Labour coalition. Eamonn Gilmore has said the opposition "will not obstruct" the new budget being passed in the Dáil. And he has promised not to reverse the cuts if he comes to office.

Both Fine Gael and Labour will work with the IMF; they have already agreed to the austerity plan and to reducing the country's budget deficit to 3% - in line with the EU - in four years and to keep the Croke Park Deal. They disagree only on the method of delivering the pain, with Labour favouring more taxation than Fine Gael.

The Croke Park Deal

The Croke Park Pay deal was ratified by Irish Congress of Trade Unions (ICTU) in the summer. It was a central part of the government's austerity plan since they needed the trade union bureaucracy on board if they were to prevent the massive anger and despair felt by Irish workers spilling over onto the streets.

The deal includes a so-called industrial peace clause which prevents public sector workers taking industrial action in relation to any aspect of the government's reform programme. This is in effect a ban on strikes when public sector workers jobs, wages and conditions will be subject to unprecedented change for the worse.

The Croke Park deal brought industrial peace and an "acceptance" of previous pay cuts which saved the exchequer €1.8bn, reduced public sector numbers by 11,000 in 18 months allowed for a five year pay freeze, the pension levy to remain, the moratorium on recruitment to continue, the implementation of an 8am to 8pm working day, a review of all pensions, potential forced redeployment and outsourcing.

And on top of all this there is included a get out clause for the government if the economy gets worse, i.e. further pay cuts can be implemented. The agreement was to co-operate with public sector pay cuts of up to 19% and bring in hugely worsening changes in our public services.

Some workers have seen their wages cut by 40% as a result of the pay cut and short-time working. In the private sector employers are cracking the whip, threatening workers with an ultimatum; your wages or your jobs. Often wages are cut as a prelude to losing their jobs. It is no coincidence that there has been a steep rise in suicide rates: 527 in 2009, an increase of more than 100 from the previous year.

Unsurprisingly, the bosses' organisation, the IBEC, and the bourgeois press and media prattle on about how "soft" the Croke Park Deal is on public sector pay and conditions. The Croke Park Agreement is the elephant in the room, they say, and talk about "the corpse that is the Croke Park Deal".

Trade union leaders continue to insist on a social solidarity pact as a fairer way to economic renewal. They make noises about how workers have not been defended against the impact of recession, of how Fine Fáil's economic policies have steered Ireland towards disaster, that the austerity programme is having a deflationary impact on the economy and will prolong the recession, not shorten it.

What they don't have is a strategy to defeat the government's attacks on workers. "Fight cuts! Save Jobs!" are only empty slogans when they're in fact facilitating the austerity programme in their support for the Croke Park Deal. A demonstration called by the ICTU for late November will do nothing other than allow workers to let off steam.

Fightback

People feel outrage at the incompetence of a government that presided over the collapse in the economy, the catastrophic loss of jobs, the erosion on a massive scale of wages and conditions while corrupt bankers and

IMF AND EU PLANS

The key attacks tabled

- » €10bn (£8.5bn) of spending cuts between 2011-14, and €5bn in tax rises
- » Minimum wage to be cut by €1 to €7.65 per hour
- » €3bn of cuts in public investment by 2014
- » €2.8bn of welfare cuts by 2014, returning spending to 2007 levels
- » Reduction of public sector pay bill by €1.2bn by 2014
- » The reform of public sector pensions for new entrants, with pay cut by 10%
- » 24,750 public sector jobs to be cut back to 2005 levels
- » VAT up from 21% to 22% in 2013, then 23% in 2014
- » Raise an extra €1.9bn from income tax
- » Abolition of some tax reliefs worth €755m
- » The introduction of domestic water charges by 2014

former regulators get off scot-free with massive retirement packages.

"Shame on you," shouted Louise Minihan, a member of Dublin City Council, as she poured red paint over Mary Harney, the Minister of Health and Children, taking one for the government at a recent opening ceremony.

Harney's car was also pelted with cheese and eggs by people protesting against the slashing of health services. Fianna Fáil recently offered free cheese to the poor, in a gesture reminiscent of Marie Antoinette's "let them eat cake" missive.

On 3 November, upwards of 35,000 third level students from all over Ireland took to the streets of Dublin in a massive demonstration of militancy not seen for decades, against the proposed doubling of third level student fees from €1,500 to €3,000. The students rightly argued this would militate against the poorest students, and put an albatross of debt around every student's neck going forward into the future.

Gardaí in riot gear, on horseback and armed to the teeth with batons and dogs, piled into demonstrators, some of whom occupied the Department of Finance.

There is a need to link up all the scattered protests and build a mighty networks of activists. Students, Age Action, trade union rank and file groupings and the political left must come together in action groups on every estate and workplace to plan how to resist the IMF austerity plan.

Ireland's semi-colonial status revealed

Every day the Irish media carries stories of the austerity imposed on Latvia by the IMF last year – public spending cuts of 10%, public sector salaries slashed by on average by 30% and in some case by 50%, half of Latvia's state agencies abolished, half of its hospitals closed. These examples send shivers of terror down the Irish national spine.

There is much talk about loss of sovereignty, of what our forefathers would think, the men of 1916, if they saw what has befallen the nation they spilt their blood to free.

But the sobering truth is that we are – and have been from the foundation of the state – a semi-colony dependent on the ebbs and flows of imperialist finance capital. Ireland's independence was never anything more than a sham as our present catastrophic situation shows.

The 1990s boom was genuine enough in that the low tax regime attracted significant inward foreign direct investment, especially after 1989 when North American multinationals such as Apple and Hewlett Packard built facilities here, also attracted by research and development sweeteners and a well educated, low paid, English speaking workforce inside the EU single market.

For a decade, outward migration stopped and was reversed as new jobs appeared. But this economic strategy only led to three-quarters of Irish manufacturing being foreign-owned and dependent on continued tax breaks.

But matters changed after the creation of the Euro and Ireland's adoption of it. Low interest rates spurred a cheap credit boom and an explosion of the housing market. By the mid-noughties the speculative property building

The truth is that the levers of Irish economic development did not lie chiefly within the grasp of the corrupt and money grasping Irish political elite

projects, financed by ultra-cheap loans from Irish banks, were legendary. Now they stand deserted and unfinished, monuments to greed and folly.

The truth is that the levers of Irish economic development did not lie chiefly within the grasp of the corrupt and money grasping Irish political elite and the native Irish bourgeoisie; they lay in the board rooms of the EU and North American multinationals on the one hand, and in the committees of the European Central Bank on the other.

In the past the Irish bourgeoisie could point to a relatively large, independent Irish banking sector with interests abroad as evidence that Ireland was very different from all those other weaker, small peripheral EU member states from eastern and central Europe.

But now this comfort blanket will be snatched away. As part of the IMF bail out Allied Irish Bank and the others will be effectively nationalised, broken up and sold off to UK, Spanish and North American rivals.

The threadbare nature of an economic development model based on foreign investment, low wages, cheap credit and a surrender of monetary policy is now clear for all to see. As with the Cheshire Cat so with the Celtic Tiger; as it fades from the scene all that remains is the rictus smile.

- › No to the IMF austerity plan
- › Tax the rich and foreign multinationals
- › Cancel the debts
- › Open the books to workers' inspection.
- › Jail all the corrupt bankers.
- › Nationalise all the banks without compensation



REVOLUTIONARIES IN RETREAT

“The accusations against Lenin and Trotsky don’t stack up”

Dear comrades

In recent editions of the journal there has been a detailed discussion of events in the post 1917 Bolshevik Party, particularly focussing on the 10th Congress in 1921 and the banning of factions.

My purpose here, is not to return to the question of the facts of the matter, nor whether Lenin was right or wrong, but, instead, respond to the accompanying political narrative that was put forward in the original piece by Mark Hoskisson that has not been commented on in any detail so far.

Stuart King has responded in PR18 to the specifics of Mark’s arguments about the Tenth Congress, ban on factions etc.

At the heart of Mark’s thesis is his conclusion that the sectarian disarray that pervades the “antagonistic particles” that comprise today’s Trotskyist left, derives from their wrong dating of the Russian counter-revolution i.e. 1924 not 1921. He argues that the failure to identify the banning of factions as the start of Thermidor is part of Trotskyism’s DNA and is in fact the explanation for the bureaucratised, autocratic behaviour of the tiny sects that exist today. As Mark poses it in his article:

“Surely the debris of the Trotskyist movement today as well as its history of splits, manoeuvres, and sharp practices, should prompt us to at least ask the question: is there a connection between the state it is in today and the lessons it has drawn regarding the timing and character of the counter-revolution in Russia?”

For Mark the answer is an unequivocal yes. The bureaucratic sects today can be understood as owing their existence and their autocratic practices to a wrong analysis of the counter-revolution.

Mark describes how the Trotskyists in the 1930s became

increasingly marginalised and, after 1940, fell into competing sects and personality cults. While he recognises that “there were conjunctural and objective reasons that prevented the [Fourth International (FI)] becoming such a (revolutionary) leadership during and immediately after the war” we are never told how much weight to give these considerable other factors. Nor is any reference made to the wrong economic analysis, common to both wings of the FI, which failed to explain the post war boom in capitalism.

This is because Mark places most emphasis on “the practices it (Trotskyism) inherited *before* it moved into opposition to the bureaucracy”, i.e. the fact that it traced its roots to a bureaucratic counter-revolution in 1921 that both Trotsky and Lenin were part of.

What Mark’s thesis does is to overstate the significance of his own analysis and understate the significance of other vital political factors. In particular, he has unlocked the secret of the centrist degeneration of Trotskyism. But his

Trotsky was trying to deal with the continuing hold of reformism over the working class, especially in the context of some of the bourgeoisie adopting fascism

argument doesn’t stack up.

Does anyone, for example, think that opposition to factions and tendencies and support of a bureaucratic internal regime has been the United Secretariat of the Fourth International’s (USFI) central problem? No, in many ways the political incoherence represented by the plethora of factions and tendencies within it, has

contributed to the USFI’s problems, not helped to solve them.

The political direction of Mark’s thesis becomes clearer when he goes on to criticise Trotsky’s political practice in the 1930s. While acknowledging that Trotsky was “driven to despair by the manoeuvres and manipulations of his movement” he was nonetheless “fatally flawed in organisational matters.”

Bit harsh, considering he led the Red Army! However the next part of the argument is very revealing. Mark argues that Trotsky didn’t place enough weight “on the difficult task of transforming tiny, marginalised and inexperienced circles of cadre into substantial revolutionary parties.” Too much was left to objective factors. Was it? What about his developments of revolutionary theory, including on fascism and the united front, permanent revolution and anti-imperialism and his analysis of the nature of the USSR?

Mark then goes on to argue that his “experiments in party building in his movement (e.g. entryism and exitism in relation to mass reformist parties) led to it having arguably less influence than when it formed the Fourth International...”

So, what was wrong with these “experiments”? Were they opportunist? We aren’t told. In fact,

Trotsky was trying to deal with the continuing hold of reformism over the working class, especially in the context of some of the bourgeoisie adopting fascism to solve the crisis, and the ultra-left politics of the Stalinist Third International in Germany. He was developing tactics, (neither new, nor experiments in the Marxist tradition) specifically designed to

avoid isolation from the masses.

This relentless desire to avoid isolation also led Lenin, particularly in Left Wing Communism in 1920, to devote serious attention to defeating ultra-left tendencies inside, and he emphasised inside, the movement. Even in the midst of the everyday demands of the post-revolutionary situation in Russia, he found time to explain the mistaken trajectories of Pankhurst and Gallagher in Britain, particularly in relation to the Labour Party and tactics towards it. He was anxious, in contrast to the image of a centralising, top down, controlling autocrat portrayed in Mark's analysis of Lenin at this time, to ensure that communists, especially in Europe, did not stand separate from the struggles of the working class, led as they usually were by reformists – but instead

take part in those fights up to and including being part of their political organisations.

Indeed today, one can only wonder what Lenin would have made of the ridiculous, second time farce nature of today's left sectarian politics, plus opportunist programme, that was the hallmark of the failed electoral front Trade Unionist Socialist Coalition (TUSC) in the 2010 election.

Does anyone think that this hopeless project, led as it was by the Socialist Party with back up from Worker's Power and others was really due to their embracing of the Trotskyist analysis of the Russian counter-revolution. No it predates that, it's the same old sectarianism and ultra leftism that has long been part of the British revolutionary tradition.

Andy Smith, PR Sheffield

regime could have saved it from degeneration in an isolated Russia; given the circumstances that the revolution found itself in, the victory of a Stalinist-type bureaucracy was inevitable. We may disagree about which mistakes may have speeded up and which far-sighted correct policies may have slowed down this inevitable outcome; more or less "workers' democracy" for instance, but these did not cause the degeneration, very visible it is true even by 1921.

Nor could they have avoided it. That they could have and did not is the lie at the heart of Comrade Hoskisson's article. Those objective circumstances, subjectively produced, did not finally impose their logic until Stalin's victory of socialism in a single country in 1924 against the heroic, yes, heroic opposition of Lenin and Trotsky, who understood it best. The progress of the Russian Revolution was absolutely dependent on the progress of the world revolution.

The banning of factions in 1921 did not signal the counter-revolutionary Thermidor nor did the suppression of the Kronstadt revolt. In Trotsky's, *Hue and Cry Over Kronstadt*, he says:

"How can the Kronstadt uprising cause such heartburn to Anarchists, Mensheviks, and 'liberal' counter-revolutionists, all at the same time? The answer is simple: all these

DEBATING THERMIDOR

A capitulation to democratism

In issue No 17 of *Permanent Revolution* Mark Hoskisson repudiated Trotskyism and Leninism and indicated his preference for the politics found around that loose anti-Leninist grouping The Commune. In PR 18 Stuart King replied, and Bill Jefferies weighed in with a defence of the Kronstadt uprising, basically charging Lenin and Trotsky with destroying the revolution then and there. Between the two issues of the magazine there appeared on Liam Mac Uaid's Blog, *It's all Lenin's fault*, a summary by Liam which provoked 590 comments. It all adds up to a capitulation to the neo-liberal offensive against the world working class and Trotskyism.

This piece will seek to prove that:

1. Lenin did not lead to Stalin; Leninism (Bolshevism) and Stalinism are antipodes, direct irreconcilable opposites. As a corollary the taking of the Kronstadt fortress in 1921 was a necessary and unavoidable defence of the revolution.

2. That the Leninist model of

party building, properly understood, is the only possible one that can lead successful proletarian revolutions anywhere.

3. That the three articles, by comrades Hoskisson, Jefferies and King betray the origins of these comrades in the state capitalist

The three articles by comrades Hoskisson, Jefferies and King betray the origins of these comrades in the state capitalist group, the Socialist Workers Party

group, the Socialist Workers Party, from whose methodology they have never properly broken.

Lenin did not lead to Stalin

A revolutionary victory in the west was the only thing that could have regenerated the 1917 revolution. No mistake-free political

groupings are interested in compromising the only genuinely revolutionary current, which has never repudiated its banner, has not compromised with its enemies, and alone represents the future...

"Most puerile of all is the argument that there was no uprising, that the sailors had made no threats, that they 'only' seized the fortress and the battleships...



The logic of the struggle would have given predominance in the fortress to the extremists, that is, to the most counter-revolutionary elements. The need for supplies would have made the fortress directly dependent upon the foreign bourgeoisie and their

cigarettes. Those who agreed to mutual friendship with the White Guard baron yesterday shouted that they were for Soviet power.”²

Lastly on Kronstadt comrade Jefferies relies heavily on the anti-communist Professor Israel Getzler. In his book *Kronstadt 1917 - 1921*:

The opening of the Soviet archives refutes comrade Jefferies' assertions that the Whites (and anti-Semites) were not involved in the uprising

agents, the White émigrés.”¹

The above quote from Trotsky has been completely substantiated by the opening of the Soviet archives. These refute comrade Jefferies' assertions that the Whites (and anti-Semites) were not involved in the uprising, and prove that the “third revolution” was a counter-revolution. In an article *Kronstadt 1921: Bolshevism vs. Counter-revolution*, the International Communist League (ICL) sets out the case very well:

“Another PRC member, an anarchist named Perepelkin, told his Cheka interrogator that he had been upset by Vilken's prominence in the mutiny. According to Cheka Petrograd regional chairman N P Komarov, Perepelkin said:

“And here I saw the former commander of the Sevastopol, Baron Vilken, with whom I had earlier sailed. And it is he who is now acknowledged by the PRC to be the representative of the delegation, that is offering us aid. I was outraged by this. I called together all the members of the PRC and said, so that's the situation we're in, that's who we're forced to talk to. Petrichenko and the others jumped on me, saying, ‘When we don't have food or medicine — it's all going to run out on March 21 — are we really supposed to surrender to the conquerors? There was no other way out,’ they said. I stopped arguing and said I would accept the proposal. And on the second day we received 400 poods of food and

The Fate of a Soviet Democracy he claims that the sailors manning the two battle ships in 1921 were largely the same as in 1917. The internet is just full of anarchists using the exact quote from Wikipedia as pasted by comrade Jefferies. The ICL article gives this lie also:

“Getzler's only proof for this is February 1921 crew lists cited in S N Semanov's ‘The Suppression of the 1921 Anti-Soviet Kronstadt Mutiny’, originally published in *Voprosy istorii*, 1971, No3). We examined Semanov's lists as well; they indicated when the sailors enlisted, but not where they had served in 1917. The evidence indicates that the 1921 crews were overwhelmingly not veterans of Kronstadt 1917. For example, in his unpublished *Kronstadt, March 1921*, Yuri Shchetinov shows that the crew of the Petropavlovsk was reduced from nearly 1,400 to just 200 by late 1918; the majority of the replacements were not veteran Kronstaders but conscripts—former crewmen of navy, merchant marine and river vessels—who had quit after the revolution rather than serve voluntarily in the newly constituted Red Navy.”³

The Leninist model of party building

The nature of the internal political regime of the Bolsheviks sprang neither from the illegal conditions of Russia in the early

twentieth century nor from supposed dictatorial tendencies in the character of Lenin later developed by Stalin, but from the oppressed character of the working class itself which makes revolution necessary to achieve socialism.

The working class must engage in the class struggle or the capitalists will drive them down to perpetual poverty. They cannot wait for “democracy” and parliament, they must go on strike, deny “democracy” to the capitalists to oppress them, and to scabs who want to go to work when the strike is on, or they will lose all around. The miners of Cortonwood were absolutely right to post their pickets everywhere in 1984 without a ballot, because that was what the class struggle demanded. Similarly they must develop from pickets to workers' defence guards if they are faced with serious police and fascist attacks. Again “democracy” is sidelined.

The internal regime of the Bolsheviks and of all those that seriously want to build a revolutionary party to overthrow capitalism must be based on the democratic centralism of Lenin, not on the bureaucratic centralism of Stalin nor on the “pluralist” model of a “party of the whole class” of Karl Kautsky. Without revolutionary theory there can be no revolutionary party. All serious revolutionaries must fight for this within their party.

This party must be based on the principle of democratic centralism contained in Lenin's 1906 article *Freedom to Criticise and Unity of Action*: autonomy for local Party organisations and of the universal and full rights to criticise by all members, so long as this does not disturb the unity to achieve defined and imperative actions once decided.

In PR 18 Comrade King signals his preference for the Kautskyite, “pluralist” model in the following:

“This approach, along with Trotsky's overwhelming political dominance in terms of experience and theoretical ability, undoubtedly accentuated many of the problematic trends that flow from such a ‘narrow’ party perspective —

sharp divisions with opponents, hostile polemics, political intolerance and not a little arrogance – all qualities that in small groupings isolated from the working class tend in the direction of bureaucratism, cult-like leadership and undemocratic practices.”

One would recognise the old Workers Power in that description and also the current one but not a genuine Trotskyist party. But the old regime of Workers Power was preferable to the new one in PR. At least theory was fought for. The fight to develop revolutionary theory has been replaced with an agreement to disagree.

The origins of these comrades in the SWP

We base this charge on the failure sufficiently to distinguish, or distinguish at all in the case of comrade Hoskisson and Jefferies, between capitalist counter-revolution as posed at Kronstadt and the Thermidor counter-revolution as imposed by the bureaucracy with Stalin at its head. Comrade Hoskisson champions a non-class, unqualified “democracy” – in fact bourgeois parliamentary norms – as a remedy to Stalinist tyranny. In perhaps the most cynical passage of his article he writes,

“In one article in 1928 Trotsky refers to his erstwhile allies against Stalin, Zinoviev and Kamenev, as a ‘pair of Sancho Panzas’, sadly the Don Quixote of the time, tilting at the windmill of the right, was Trotsky himself.”

The “right” here is capitalist restorationism. This is a reference to Trotsky’s refusal to ally with Bukharin (the “right”) against Stalin in 1928 when “a political counter-revolution” was taking place. Capitalism is clearly better than Stalinism as every “democrat” must admit is the message here! Had Trotsky ceased “tilting at the windmill” of capitalism in 1928 and joined it against Stalin, as here advocated, how would he have politically fought capitalism in general, e.g. Hitler or Franco? How could he have founded the Fourth

International in 1938?

Comrade King also makes SWP/ state capitalist concession to this in his PR 18 article, equating the two threats:

“Belatedly [Trotsky] recognised that the threat came from the party centre, with its roots in the

Kronstadt was the final act in the defeat of the capitalist counter-revolution, from the external, invasive aspect, and that is the correct historical analogy

bureaucracy, as well as from the right . . .”

And he makes a false historical analogy:

“If we want a more accurate analogy with the French Revolution, the crisis of 1921 was more like the autumn of 1793 when the Jacobins struck against the left and the popular movement, weakening themselves and paving the way for a later Thermidorian triumph.”

This places a question mark on his position on Kronstadt. Robespierre saw off the feudal counter-revolution by arming the citizens of Paris and initiating the Reign of Terror, which electrified the faltering revolution and quickly drove out the five invading armies of the counter-revolution and crushed the internal monarchist revolts.

Kronstadt was the final act in the defeat of the capitalist counter-revolution, from the external, invasive aspect, and that is the correct historical analogy. However that marked the end of the heroic phase of the revolution in Russia, whence began the completion of its revolutionary and national consolidation against threats “from without” only for the bureaucratic tendencies to rise further and spread “from within”.

This historic repeat with a socialistic/proletarian twist was in contrast to the beginning of the consolidation of bourgeois rule in France and the beginning of the

Napoleonic expansionism (i.e. war on feudally disjointed Prussia/ Germany and Czarist Russia) as part of the high point of the extension of the bourgeois revolution by France.

The point is that once we begin talking of Thermidor we are accepting that certain of the central

gains of the revolution had become consolidated in the consciousness of the masses and cannot then be overthrown except by another civil war, at that stage. And France in 1793 was still a very rich capitalist country. Although Britain had passed it by then, the restoration of a feudal regime was impossible after 1794. Russia by contrast was poor, 90% illiterate and fifth or sixth as a world power. Capitalist restoration was always possible and eventually happened in 1992.

It is clear that our ex-Trotskyists have repudiated the struggle against capitalism at its highest point of theory and practice, Trotskyism. There is altogether too much “democracy” of the bourgeois variety contained in these articles and not enough of the global class struggle against global capitalism.

To this same “democratic” public opinion Tony Cliff and his followers capitulated in 1952 when they refused to support North Korea against US imperialism within the British labour movement. “I’m no dirty commie” was and is the apologetic back-sliding message.

Gerry Downing

NOTES

1. Trotsky, Hue and Cry Over Kronstadt, January 1938
2. Komarov Report, Stenographic Report of Petrograd Soviet, 25 March in 1921, Kronstadt 1921: Bolshevism vs. Counterrevolution, at: www.icl-fi.org/english/esp/59/kronstadt.html
3. Shchetinov, Kronstadt, March 1921, ibid



GREECE

Mass abstentions in Greek elections show voting will not solve the crisis

Since the article on Greece in the last issue of PR (Greece in revolt) local elections have taken place both for governors and for local councillors.

The most striking feature of the elections was the massive abstention rate, with only 30% of the electorate bothering to go to the polls. In addition 10% of ballot papers were spoiled as a protest.

The actual vote for the ruling party was around one in ten of the country's electorate. In these circumstances the fact that the ruling PASOK party won eight out of the 13 regional governorships is a pyrrhic victory.

When seven out of ten Greeks vote for no political party it is clear that elections will not resolve the current crisis. On the contrary, the abstention is a warning that the political storm will return to the streets.

Of those who did turn out more were inclined to back the left candidates which is why the left, including the Greek communists (KKE), saw its vote increase to 25% even if its overall numbers did not rise when compared to previous elections.

The question is, why did the left not get a feel for the mood of the people and use the abstention call as a political weapon against the IMF and the establishment parties, PASOK and ND?

When the President of the Greek Republic openly stated that he is "against those who believe their anger can be expressed by staying on their couch, staying at home", when Papariga, General Secretary of the KKE, also criticised the people for not voting, it is clear that all the parties of the establishment are trying to maintain the fiction that voting will lead to a different policy to the IMF-EU dictates.

In reality all they are interested in is the state subsidy and the

positions of power accrued to them in the state infrastructure – councillors, local mayors and public sector contracts (a major source of income for the KKE).

The KKE is the left party with the biggest influence on the unions and the population at large. Despite the many strikes and demonstrations during the last six months it hasn't been able to increase its electoral influence significantly mainly because the policy of the leadership in these struggles has been to divide and dissipate the movement instead of uniting it.

The KKE has consistently attacked the militancy of the masses, labelling it as "fascist", for example, when attempts were made to storm parliament in May, and again in September when the hauliers surrounded it.

The KKE has strained every sinew to keep the movement within the bounds of bourgeois legality – when at the same time the country's constitution and laws have been trampled on by Papandreou in order to get his measures through.

Another reason for any substantial uplift in the vote was the total lack of programmatic proposals, a requirement for every party which aims not just to operate on the margins of power, but seek to gain power.

Beyond the electoral sphere the KKE continues to work to keep the ongoing struggles isolated: unemployed shipyard workers in Piraeus, Akropolis part-time workers, OSE railway workers, defence workers etc.

But a renewed push for mass action is critical since the economic and social situation continues to deteriorate. The month long hauliers' strike led to a 10% collapse in exports. About 4,000 middle-sized enterprises have closed. Unemployment reached 12.2% at the end of the summer, up from 9% a

year earlier – an increase of 30% and one in ten people now rely on soup kitchens.

The budget deficit which was 13.6% when PASOK assumed power (November 2009) now stands at 15.4%. All the austerity measures have achieved is to increase the government's deficits as tax revenues have fallen as pay and jobs have been slashed.

There is a real danger that the left will fall into pessimism after the failure of the last mass struggles to dislodge or defeat the government. But history has shown that, in conditions of severe economic crisis, small organised minorities may become a spark which lights a more general fire.

The insurrection of the Polytechnic (17 November 1973) was such a spark, against the will of the parties of the time, who these days hypocritically lay wreaths in their memory.

The same occurred during the resistance against the fascist occupation. Small isolated groups of dedicated militants started the struggle and in the end thousands joined the struggle with millions supporting it.

The problems now facing Greece cannot be solved by elections. They will be resolved in the streets. A return to the drachma on its own cannot solve the economic problems either and neither, as is being discussed widely, can a different version of the euro.

In my opinion we have to campaign for a broad united movement – not separatist, isolated, defeatist, KKE style.

- » Cancel all debts to foreign bond holders
- » Exit from the eurozone and the EU
- » Work for all on a proper living wage

None of the above can occur if there is no control of capital flows and of imports of an agricultural and industrial nature, or if the ports are all sold off and everything that is now state-owned is privatised

V N Gelis



An Italian Stalinist with a guilty conscience

THE COMRADE FROM MILAN

Rossana Rossanda

Verso / 2009 / £29.99

ROSSANA ROSSANDA is a seminal figure in Italian left wing politics, with a career now spanning seven decades. Expelled from the Italian Communist Party (PCI) in 1969 for opposing the Soviet invasion of Czechoslovakia, for supporting the students' and workers' movement and for founding the critical periodical (subsequently daily newspaper) *il Manifesto*, Rossanda has come to be associated with a more radical trend in Italian politics than the passive and compromising positions pursued by the PCI.

Yet Rossanda's 2005 memoirs, *La Ragazza del Secolo Scorso*, recently translated by Romy Giuliani Clark and published by Verso under the title *The Comrade from Milan*, reveal a deeply embedded Stalinist political culture.

Born in Pola (now in Croatia) in 1924, Rossanda moved to Milan aged 13. She attended secondary school and, subsequently, university to study philosophy.

Her comfortable lifestyle meant that she was not an early anti-fascist, as Rossanda concedes. She claims that her conversion in 1943 to political activism occurred on being shocked to find out that her favourite lecturer, the philosopher Antonio Banfi, was a communist.

On confronting him on the issue he gave her a list of books to read, which included classic texts by Marx and Lenin as well as "Whatever you can find by S". And with this she was introduced to comrade Stalin.

She soon joined the resistance in Milan as part of the support network which brought with it enormous risks.

In chapter five Rossanda

discusses whether or not the partisan movement was revolutionary and decides that it was not. This is no surprise since the whole strategy of Stalin and of PCI leader Palmiro Togliatti was precisely to thwart whatever revolutionary thrust there was in the movement and to ensure there were no obstacles placed in the path of rebuilding the capitalist state or boosting the credibility of the very bourgeoisie which had been propping up Mussolini's regime for the previous 20 years.

Perhaps somewhat uncomfortable with this, in chapter six Rossanda reflects that in 1945, at war's end, all her previous interpretative grids had been shattered. Thus while capitalism certainly brings war in its train, war itself gives rise to "urges that are not reducible to social conflict". After all, "whether capitalists or not, Jews had been put to death".

And again in chapter 6 she argues that, with reference to the period 1945-47, what remains

Yet Rossanda's 2005 memoirs, *La Ragazza del Secolo Scorso*, published *The Comrade from Milan*, reveal a deeply embedded Stalinist political culture

imprinted in her mind is "an image of the class struggle in its pure state, in a non-revolutionary phase".

Yet as recent and not so recent research has shown, Italian Stalinism was extremely busy in those years overseeing the continuity of the Italian state as it passed over from fascism to Christian democracy, and while radical partisans, workers and communists were being sacked or jailed, Togliatti himself, as minister

for justice from June 1945 to July 1946, had signed an amnesty for the fascists, who were then freed from prison.

No mention is made in Rossanda's book of this act of outright treachery, nor of the fact that Togliatti was minister for justice. Similarly, one can seek high and low in Rossanda's biography for any mention of the secret papers from the Moscow archives which came to light in the 1990s and which have proved Togliatti's open complicity in the murder of Italian Trotskyists as well as his key role not in following orders from Russia but in formulating them.

On discussing the death of Togliatti in 1964 in chapter 14, it is evident that she enjoyed good relations with him and admired him. There is not a hint of a critique of his parliamentary cretinism and reformism and the profound Stalinism underpinning his systematic lies and wholly reactionary role in the history of the Italian and international workers' movement.

When real history is separated out from memories presumably clouded by age, the counter-revolutionary nature of Rossanda's own role in the transition from fascism to bourgeois democracy is all too apparent. Anti-communism



characterised the ferocious election campaign of 1948 and it was in this climate that an attempt was made on Togliatti's life.

While the perpetrator was probably a right wing madman acting off his own bat, the working class interpreted the incident differently, seeing it as an act of aggression by the bourgeois state and its CIA allies.

A general strike was called, workers demanded the resignation



of the government and caches of arms suddenly reappeared, despite Stalin and Togliatti's orders to hand them over in 1945.

Insurrection was in the air, and while the situation gradually normalised, Milan was one of the last cities to "keep a cool head", as Togliatti had urged from his hospital bed. It was here that Rossanda, who had been appointed as a full-time party functionary in 1947, stepped in not to lead the battle but, in her own words, to instruct the Milan workers to "withdraw".

While asking "what else could I do?", by her own admission the workers she was sent to betray were in fact convinced that there was no need to retreat, that it was the PCI that was pulling back, and that "the hopes cultivated in the Resistance burned still". So, there was, after all, a revolutionary thrust in the Resistance, and it was the historical function of Italian Stalinism, Rossanda included, to thwart this, both during and after the war.

The middle section of the book is a rather meandering collection of anecdotes replete with names of Italian and foreign intellectuals and reflections that, arguably, are of little interest either to left wing

searching, doubts about the direction of the PCI bureaucracy, allied to an ongoing loyalty to the party and the apparatus of which she by that time formed part, is the general method that marks the political careers of Rossanda and her closest associates.

The impression is given that it is this period that Rossanda wants to get off her chest. In her favour, it can be noted that her arrival in Rome, and her appointment as head of the party's cultural section, did see an attempt on her part to challenge the Stalinist interpretation of art and culture and hence to win back the allegiance of the intellectuals and artists who felt that their trade could not be reduced to mediocre production and "realism" in order to achieve rapid results in "worker education".

Perhaps the most revealing chapters cover the period after the death of Togliatti in 1964, when she explains how the new leaders, headed by Luigi Longo (1964-72), worked for the dissolution of the party itself.

Already in 1964 Giorgio Amendola proposed that the split from the Socialist Party in 1921 had been a mistake, effectively that the

radicalise and broaden in order to take in the worker and student struggles that had emerged independent of the PCI and were not being led by it, the suggestion was received as ridiculous, since the issue on the table was whether to fuse with the Socialist Party, not whether to make the party even more "Marxist".

At any rate, using the death of Togliatti to benefit from the relaxation of bureaucratic centralism (which Rossanda calls "democratic centralism"), Amendola and his supporters acted as a majority current in the party, getting their people into leadership positions and expanding their influence.

Pietro Ingrao was the leading figure opposed to dissolution. Yet he never formed an organised opposition, but kept his passive criticism within the bounds of the party bureaucracy. He never broke when a break was called for, remained in the overtly reformist rehashed version of the PCI when it became the Democratic Party of the Left (PDS) in 1991, and did not lead the Communist Refoundation that same year despite the fact that many militants were just waiting for his sign.

As she herself recognises, Rossanda was to all intents and purposes an "Ingraoista". Justifying the fact that she did not leave the party in 1956 she states that "everything that lives changes", and hence that the PCI could change. What she fails to point out is that it is not a question of leaving, staying or being expelled, nor of waiting for the party to "change", but of conducting a militant battle that will cause an internal upheaval.

This would then either force through change or lead to the expulsion of revolutionaries along with the supporters won in the internal battle and, from there, to the construction of a revolutionary nucleus.

But, like Ingrao, this is something that Rossanda never even contemplated. Although Amendola never became party leader, the fact is that his line became party policy, including with

Her appointment as head of the party's cultural section did see an attempt on her part to challenge the Stalinist interpretation of art and culture

historians or political militants.

The catalyst for this rambling is the Soviet invasion of Hungary in 1956, yet another professed basis of intellectual trauma and doubt for Rossanda from which, however, she drew no practical conclusions. Indeed, she continued to be a member of the PCI bureaucracy, which included a promotion to the party's leading organs, a consequent move to Rome from Milan in 1962, and election for the first time to parliament in 1963.

This tendency towards soul-

PCI should never have been founded, and that the two parties needed to reunite, naturally on an overtly reformist basis.

As Rossanda points out, while Amendola's proposal came to nought, it nevertheless tabled the idea that the existence of the PCI was not indispensable. Indeed, as Rossanda notes, the issue was discussed at the top level of the party, and hence had been legitimated.

When Rossanda and others proposed that the party needed to

his successor, Enrico Berlinguer (1972-84), whose proposal for a "historical compromise" (i.e. popular front government) with the Christian Democrats was rejected by the latter.

When Berlinguer turned to the Bettino Craxi's PSI for a strategic alliance, Craxi too spurned him, preferring a career of bribery and corruption and a push for government without the communists.

So when in 1991 Achille Occhetto decided to fold up the PCI as a result of the collapse of Stalinism in the USSR, it was merely the logical conclusion to a decision already well in the pipeline after the death of Togliatti. All of this comes through forcefully in Rossanda's book.

Granted, as the XI party congress approached in 1966, and as the "battle" lines were drawn between Amendola and Ingrao, Rossanda could be found in the company of a group of intellectuals discussing the way forward for the party. But this was a far cry from a left wing faction, and was very much a passive talking shop. Indeed, while she and her friends encouraged Ingrao to "engage in battle", he told them to back off and not to organise "against" anyone or anything. Thus as Rossanda explains in chapter 15, they all went to the congress without any clear line of action, and her own speech at the congress was, she states, the worst she has ever made.

What happened thereafter is testimony both to the futility of her passive approach and to the character of Stalinism. Having, as she points out, effectively only appealed, along with Ingrao, for space to espouse another point of view in the party, she was paid for her loyalty by being sacked from her post as head of cultural matters, though she did remain on the central committee.

Reduced to even more impotence than she had imposed on herself from her position within the party bureaucracy, and faced with the mass student and worker movements of 1968, Rossanda began to argue that the party was

not looking to lead these. With the pretext of not threatening party unity, all crucial decisions, from the student movement to the invasion of Czechoslovakia, were, as Rossanda shows in her chapter 16, constantly put off by Longo and his clique.

Another excuse called upon to justify passivity while awaiting the next election and planning strategic alliances with the Christian Democrats was that the

people that she claimed she wanted to win over, her total unwillingness to lead any serious opposition, and her evident unfamiliarity with real communist meetings and workers' democracy. As a sideline intellectual more influenced by petit bourgeois liberalism than by communism, Rossanda's aim at the XII congress was clearly to cause a stir by means of a clamorous gesture, draw no programmatic and organisational conclusions from

She noted that the PCI was meeting when one so-called socialist country was occupying another, a declaration which caused the Soviet delegation to walk out

party was "immature", a notion also supported indirectly by Ingrao, who saw the PCI as "unprepared" for the "imminent deadlines" and who in any event was worried that any move without unity would be disastrous.

Fair enough, Rossanda claims that she was not altogether convinced of this and that hesitation and silence were grave errors, especially since the "deadlines" had already arrived (chapter 16). In her view, therefore, something needed to be said in the central committee. Interestingly, in chapter 17 Rossanda reveals how by that time she felt terrified at central committee meetings, was afraid to speak and ashamed when she kept quiet. When it came to the XII party congress of Bologna in 1969 she did, however, prepare a speech that was to be her fall from grace.

To be sure, her talk received a lot of applause from delegates, but in her final chapter she brushes this off as what she sees as the standard practice of communist meetings, in the sense that opposition speeches "express [the delegates'] views without committing them to anything" and are "predestined to lose in such a way that the unity of the ruling bodies was safe".

Statements such as this reveal Rossanda's disdain for the very

her own act, and, once she had planted the intellectual bomb, run for cover.

This in fact is what transpired: she noted that the PCI was meeting at a moment when one so-called socialist country was occupying another, a declaration which caused the entire Soviet delegation to walk out. But despite the support received from the floor, Rossanda decided not to present a document, with the usual excuse that revealed her deep-rooted Ingraoist passiveness ("better not to split the party", "nobody would vote for the document" etc.). Her position was undermined somewhat by Berlinguer, the party's new blue-eyed boy and leader-in-waiting, whose speech made concessions to Rossanda, thus leaving some of her supporters hopeful that what she had said had been taken on board and that the party was on the verge of a new turn. Rossanda thus "climbed down from the tribunal, took [her] suitcase, and left without voting".

Hence it was all a question of personal conscience. She had said her piece and had got the thing off her chest.

Clearly with no intention of taking any leadership position, and seeing her task as limited to the intellectual spurring on or



provocation of others.

Rossanda, together with friends such as Lucio Magri and Luigi Pintor, then decided to found a critical periodical. She herself had the task of informing Berlinguer of the fait accompli, though she notes that he was unperturbed on hearing the news because, as she admits, "we would not endanger the ruling bodies of the party".

Needless to say, Ingrao strongly invited them not to go ahead with the project. He might not have been particularly far-sighted as a politician, but he was ingrained enough in the Stalinist mentality to know that they would be expelled from the party, despite the fact that Berlinguer had given Rossanda reassurances to the contrary.

Indeed, when the drafts of the first number of *il Manifesto* were sent to Berlinguer, he was shocked to discover that it was "political intervention" rather than merely "research", as he claimed to have been originally led to believe. When the first issue came out as a monthly in June 1969, sales were 32,000 and soon rose to 80,000, a huge figure.

A few days after the first issue, Rossanda received word on the grapevine that she and her friends would be expelled from the PCI. First of all, however, Rossanda notes that Berlinguer tried to corrupt her by offering her the directorship of the prestigious Gramsci Institute. From what one can glean from her ensuing sentence "But, and the others?", she was probably open to the buy-off but felt guilty about taking the post when her friends had not received any offers of being looked after.

Either way, when the September issue came out with the title "Prague is alone", the die was cast, a meeting of the central committee was called, and a formal request was made by the party leadership to close *il Manifesto*.

Rossanda is right to point out in the closing pages of her book how paradoxical it was that the PCI leadership was focusing on *il Manifesto* precisely when a "hot autumn" was commencing in Italy. In this regard, it is worth

remembering that the mass movements in Italy lasted longer than anywhere else in Europe because of the stronger alliance forged between workers and students.

In autumn 1969 the class struggle was anything but waning in Italy, and if anything was only really starting. On the other hand, it is easy for Rossanda to be "critical", since her entire political career was marked by an absolutely identical attitude, and she herself was a faithful and loyal member of the apparatchik. Indeed, with reference to the hot autumn of 1969, the greatest mass movement since the war, she openly admits that "I didn't attend any meetings, I was not there". Stalinist party bureaucrat, passive critic, intellectual, parliamentarian, whatever, Rossanda has never been

a working class leader, but rather an integral part of the very party that expelled her on 24 November 1969.

Rossanda finishes her volume by saying that, unlike other people expelled from the PCI, she and her associates landed on their feet with *il Manifesto* "in the full crisis of the university system and the workers' struggles". Wanting, she claims, to act as a bridge between "youthful ideas and the wisdom of the old left, which had had its moments of glory" she admits that this project failed; but that this "is another story".

We can only hope that Rossana Rossanda will spare telling it to us.

Paul O'Brien

A race against time in the fight for green jobs

ONE MILLION CLIMATE JOBS
Solving the economic and
environmental crises
CACC 2nd Ed / 2010 / £2.50

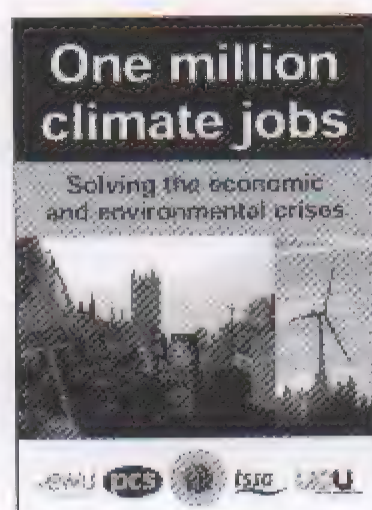
➤ AT A time of massive job cuts and economic stagnation, the second edition of this pamphlet comes at an ideal time. Its aim is to set out how and where one million climate jobs can be created in Britain today. This was the remit of the Campaign against Climate Change (CACC) Trade Union Group, with the support of various trade unions, notably CWU, PCS, TSSA and UCU.

Firstly, we need to understand what is meant by "climate jobs", as these are not the same as "green jobs". The authors define them as "jobs that cut down the amount of greenhouse gases we put in the air and thus slow down climate change". In contrast, "green jobs" can mean anything – jobs in the water industry, national parks,

pollution control and many more things.

The jobs to be created would be new jobs, largely funded by government, co-ordinated through a National Climate Service (NCS). It would mean the government starting to employ 83,000 workers a month in climate jobs, to create a million jobs over 12 months. This would lead to another estimated half a million "indirect jobs" in supplies and services the NCS needs. All the jobs should be guaranteed to have "fair wages and conditions" as many will be dangerous jobs.

How will all these jobs be paid for? The authors calculate that for a year the total cost would be £52bn, including wages, national insurance and pension contributions and costs such as materials, fuel, supplies, rent and interest. But the government will save an estimated £34 billion a year from taxes and benefits, leaving a total cost of £18 billion a year. This compares to the



£850bn the government gave to the banks in loans and gifts. The £18bn could be found, the pamphlet says, through increasing the income tax for the richest 1% or collecting some of the estimated £120bn a year of unpaid taxes.

The authors then go on to challenge George Osborne's claim that "Britain is bust" since national debt is now 75% of GDP. Looking back they highlight that Britain had a debt that was 150% of GDP even in the boom year of 1956, under a Tory Government.

Using well-researched and sourced data and various studies, the authors examine in great detail where and how the one million jobs should be created. The main three areas are electricity, transport and heating. A million people working for 20 years in these jobs can cut CO₂ emissions by 80%.

Within electricity production, a crucial first step is to produce a lot of wind (mostly), wave, tidal and solar power, doubling the amount of total electricity produced in this way, at the same reducing the CO₂ emissions to almost zero. Most of the jobs initially in renewable power will be in production, but also maintenance, research and training. There would also be a need to extend the national grid, involving its re-nationalisation to be effective.

The authors are divided on the merits of clean-coal technology, only agreeing that more research is needed. Likewise, although the authors are generally opposed to nuclear power, due to the cost and the dangers involved, they wish to keep a dialogue with trade unionists in the industry. Overall, around 425,000 jobs would be created making renewable energy.

In terms of heating, the authors concentrate on insulation, draught-proofing, solar panels and replacement of boilers, for both domestic and industrial buildings. They envisage construction workers covering an area street-by-street, doing all the required work at the same time. This would cut emissions by 40%. Overall, this renovation work would create 175,000 jobs.

Within the transport sector; cars, planes, lorries and vans account for nearly 90% of our current carbon emissions. To reduce this means a massive turn to public transport, firstly making it more popular, for example through reserved bus lanes, together with a more frequent and comprehensive service. It also means making buses and trains free, and providing shared taxis and minibuses in more

government "to introduce change". Strangely, given that some of the unions involved are affiliated to the Labour Party, the idea that part of the struggle should be to commit the Labour Party to such a plan does not get a mention.

But it will take more than a mass movement to impose a massive restructuring of the economy on any government, especially a restructuring that places the

Using well-researched and sourced data and various studies, the authors examine in great detail where and how the one million jobs will be created

rural areas in particular. To take freight off the roads will mean building a new second rail network, totally electric-powered from renewable sources. On the question of electric cars the authors are divided, some pointing out that they do not work well yet, but that plentiful re-charging points make them a more useful option, others see real problems of congestion. Overall, 300,000 jobs would be created by overhauling and changing transport.

The remaining jobs would come from reducing emissions from industry, together with utilising landfill gases, (50,000) and education, mainly in training and research (50,000), making a total of one million jobs. After 20 years the balance would switch more to transport (600,000) and electricity (300,000) as the initial construction work comes to an end.

But how will this plan for one million jobs be achieved? Reflecting the nature of the CACC the answers are mostly reformist. A "fairer system of taxation must be part of the solution", "democratic forms of public ownership" are needed and "stronger government regulation". Quite how this will happen under the current, or any other government, is not addressed beyond the need to build a movement that can pressure the

emphasis on the state creating whole new industries as part of the public sector. All the major parties are committed to using market mechanisms to solve the question of carbon emissions. This is why moves to prevent climate change have failed and why we are heading for 2°C plus global warming.

The pamphlet does, in passing, mention a method of struggle that could have an impact on governments. The strikes and factory occupations at Vestas and Visteon are made reference to in a box towards the end of the pamphlet. While neither was ultimately successful, they both showed how workers' actions can make the need for climate jobs a real issue in the here and now.

The solidarity that developed around them showed the possibility for a much larger and militant action based movement, one that would need to be willing to develop mass strikes, occupations and direct action to force the politicians to change course. This perspective, is unfortunately lacking in the pamphlet.

However, the CACC are right to put the campaign for climate jobs at the heart of the fight against the cuts. Likewise, raising the demand for a million climate jobs in trade unions and workplaces, and organising green reps to popularise



it, is certainly part of raising climate consciousness amongst fellow workers.

Like the first edition, the pamphlet is a useful tool for trade unionists to raise climate change in the workplace in a practical way. It can also be used to put forward a

positive message for jobs at a time of unprecedented cutbacks. Every trade unionist should order copies through their union branch and start using them in the fight back against the cuts.

Pete Ashley

solved without challenging capitalism". Is this a euphemism for "overthrowing" capitalism? No, because that is not what is being argued. Instead we are presented with a utopian future where direct democracy, a redistribution of economic resources and self-management will suffice.

But even here we are offered mutuals and partnerships as the models: "The John Lewis Group, which runs one of Britain's supermarkets shares all its profits not with the shareholders, but with the workers, who own the partnership", Derek tells us.

Maybe Derek doesn't know that its profits are shared very unequally – with its MD earning between £400-500,000, while the shop floor workers average £14,800. They of course are subject to the normal capitalist work discipline and have no control over their workplace.

But this utopia is the future. In the meantime a series of "transition policies" are offered which turn out to be a very minimal set of reformist demands that have nothing to do with overthrowing the system. They range from "allowing workers to take control of bankrupt businesses" (very generous – how about the profitable ones?) through to "massive funding for libraries and other forms of social sharing". All very Green Party



Ecosocialist alibi for Third World populism

THE RISE OF THE GREEN LEFT: INSIDE THE WORLDWIDE ECOSOCIALIST MOVEMENT

Derek Wall

Pluto / 2010/ £12.99

I HAVE always wondered what "ecosocialism" was. I had read a couple of international declarations whose language was so convoluted and vague that I came away none the wiser. I did realise however that it was one of those concepts that has emerged from the Fourth International stable.

So I grabbed the chance to read Derek Wall's book which offers to explain it all. Positives first. Most Marxists would agree with Derek that the very nature of late capitalism with its waste, constantly invented "needs" and constant drive to produce and expand for profit, have degraded the environment.

So much so that we have reached the point where it has, through carbon emission, changed the planet's very eco-system; threatening climate chaos and widespread famine across the world.

The key question for socialists is how do we combat it, how do we convince masses of people that we have a viable alternative, and how and through what agency do we end the system that has produced this situation? The problem is that Derek Wall's book fails on all three of these counts.

The book starts by explaining how if we do away with waste, take

various measures to restrict carbon emissions, abandon capitalist notions of growth and produce for use not profit, we could solve the problem. It doesn't go into a lot of detail but suggests such measures as better insulation of homes, an expansion of public transport, investment in wind and solar power, conserving the forests, producing longer lasting products, eating less meat, going organic etc. It also rules out nuclear power, bio-fuels, dams etc as means of reducing carbon emissions.

It never addresses a real worldwide issue. World population has grown, and is growing, enormously. Masses of people have no electricity, have too little meat to

We need a massive expansion in "growth" to deliver these basic necessities – a growth that cannot just be had with no environmental consequences

eat, have no access to transport, decent homes, sanitation.

In short, we need a massive expansion in "growth" to deliver these basic necessities – a growth that cannot just be had with no environmental consequences, as much as we would like it. Derek doesn't even address this problem let alone pose a solution.

Ecosocialists believe "that ecological problems cannot be

and nothing at all to do with Marxism.

Perhaps it is on Latin America, an issue that takes up a lot of the book, that Derek Wall is at his worst. Ecosocialism, you see, is sweeping the continent like an unstoppable force – in Bolivia, Ecuador, Cuba, Venezuela. We have the usual Fourth International eulogies to Cuba but this time with an environmental twist.

We are told about the marvels of “permaculture” – growing your own vegetables and fruit to you and me – and the freedom of small farmers to grow their own food in the absence of private property rights. But we are not told about the one party state in Cuba that directs everything from the top down and allows no organised opposition to the party. Suddenly the absence of direct democracy, indeed any real democracy at all, is not a problem. Indeed not even mentioned!

Hugo Chavez too, it seems, is an ecosocialist. Again it’s the promotion of “permaculture”, tree planting, “a new metro line” and a “joint venture to build bicycles with Iran” that seems enough to convince Derek Wall that the leader of the Bolivarian Revolution is an ecosocialist. Maybe Boris Johnson would qualify as well – after all he has fought for the Crossrail and introduced Boris bikes!

The fact that Venezuela is one of the largest producers of oil, a fossil fuel, and that Chavez has opened up whole new areas of exploration in the interior of the country to foreign multinationals has maybe escaped Derek’s notice. Yet later in the book he declares “Stopping the destruction of ecosystems and preventing fossil-fuel extraction is an absolute priority.” Everywhere, of course but Venezuela, Cuba, Bolivia etc.

As for which social class will power all this change at least Derek Wall recognises it needs to be the working class. But even here in relation to the global south it is the working class “and the indigenous communities”. In fact one would have to say the whole book is obsessed with indigenous struggles, in Peru, Bolivia, probably under the influence of conversations with Hugo Blanco, another Fourth Internationalist, who writes the introduction to the book.

It is not that these struggles should not be actively supported – the MPT and ourselves have promoted the rights of the Mapuche in Chile. They struggle to defend their environment and find that local democracy and control is overruled in the interests of the

profits of the multinationals.

But the peasants and rural workers, who have a thousand times the social weight, and in China for instance are regularly fighting land-grabs by party bureaucrats and capitalists, receive barely a mention in Derek’s book.

If this is “ecosocialism” then both environmentalists and socialists

should steer well clear of it. What we need is a real anti-capitalist movement to save the environment and destroy the system that cannot but degrade it. We will leave ecoreformism to Derek Wall and his co-thinkers in the Fourth International.

Stuart King

Fighting the bosses and brothers for equal pay

WOMEN ON THE LINE

Miriam Glucksmann
aka Ruth Cavendish
Routledge / 2009 / £18

THE RECENT film *Made in Dagenham* brought to life the inspiring struggle of British women factory workers for equal pay in the 1960s. Those who want to delve more deeply into the issues raised by the film could do worse than grab a copy of this book on women’s assembly line work in London, 10 years after the events depicted in that film.

Women on the Line was originally published in 1982 by Miriam Glucksmann (aka “Ruth Cavendish”), now a Professor of Sociology at Essex University and Fellow of the British Academy. It is a classic ethnographic study of the industrial working life of female manufacturing employees.

Cavendish’s work covers nine months of 1977-78 at the height of Marxist-Feminist radicalism and just before the neo-liberal onslaught of the 1980s under Thatcher. It evokes the sense of a vanished world.

Republished in 2009 with a new introduction, it describes the lives of the women working in an auto-parts supplier for British Leyland. Cavendish explains she “took the factory job for political reasons rather than for sociological research”. Although she was a motivated political activist she was

not a member of any of the socialist organisations. It was rather as an unaligned Marxist and Feminist that she first visited the picket line outside the factory before she began working there, in a time when “changing the world seemed possible.”

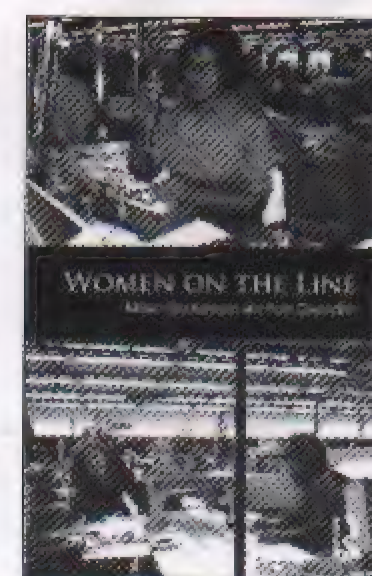
She explains that the women’s movement had “never properly succeeded in one of our main aims – to contact and involve working class women.”

The plant manufactured a milometer for a number of British Leyland models, like the Princess and Maxi. It employed 1,800 at the main headquarters, and a further 800 on the shop floor of her target factory in Hackney, north London.

Cavendish points out that “the women believed that if they went on strike, British Leyland would come to a halt fairly quickly,” – they were aware of the power that their position in the production process gave them.

Final assembly was very labour intensive – most of the components were hand assembled by about 200 women working in the main production lines. Supervisors, all men, sat at the front of the shopfloor in a box. Around 70% of the workers were Irish, 20% West Indian and 10% Asian – predominantly Gujarati.

They worked an 8-hour day for an average of £41 per week, including bonuses, and all the women were members of a manual trade union.





There were strict rules about clocking off and on, with minor infractions resulting in loss of pay out of all proportion to the misdemeanour.

The shop floor was divided into different lines made up of 15 women on each, with a set time allowed to carry out each task.

The pressure to complete the task was unrelenting with an "Unidentified Mechanical Object" (UMO), requiring assembly every two minutes, signalled by a flashing light. Cavendish says that "...the

workers thought that family were "money mad" for all working at the factory. They pitied the daughter Jill for doing so. In fact the family had terrible problems paying their bills.

Cavendish explains the solidarity and togetherness engendered on the line. She described the atmosphere as "warm and supportive, so no one was left out," and while not everyone liked each other, "friendliness towards all the other women in the shop was automatic - because you were all in the same boat, doing the same work

where we were on the line, anyone with skill or training was a man, anyone in authority was a man and any man had authority."

Indeed the managers ran the line without reference to the women who worked it and who were most intimately knowledgeable about its faults and the problems with it.

The women's views "were not taken into account", "no one ever asked us". Engineers would discuss and decide without reference to the women workers. The lower status of women was reflected in their pay packets. The most they could earn was £47.10 per week, while male packers, bottlers and canners received £66.10.

The tensions caused by lower pay, disputes over bonus and irregular payments, led to the strike, which not only highlighted the class divisions in the factory. Mrs Dibbs, the Works Council union representative, advised them to resume "normal working".

The women refused. Mrs Dibbs had been corrupted by management favours, they believed. They were told by a woman from the sprocket shop that the whole place would be "out", if they were suspended for their action.

Suspension duly followed the following week, and Cavendish describes the scene: "We marched to the yard in one group, and all the men in the machine shop cheered and clapped as we went by. At least 600 people attended this mass meeting."

The following week a separate deal was presented to the men and the Works Committee refused to allow discussion of it so it was railroaded through.

Demoralised the women returned to work. At this point, Cavendish decided to leave the factory and her project effectively ended. She failed to find another factory job as unemployment rose through the course of the 1979-83 recessions and returned to academia shortly afterwards.

In the introduction to the new edition of her book Cavendish says that "the language of capitalist exploitation, surplus value, patriarchal oppression and so on

The women's embrace of the family model did not represent a conservative acceptance of bourgeois mores but was an adaptation to their circumstances

pressure to churn out hundreds of them (UMOs) was constant ... Unless you were well-organised and knew exactly in which order to do the different movements, the work would get on top of you and you'd be up the wall with no chance of stopping to sort yourself out ... you felt part of a chain and had more contact with the other women. It was like being one large collective worker."

Differences of race and nationality provided an important point of reference for discussion and debate. Grace, a West Indian worker, felt that the Tories wanted to deport Black people back to the Caribbean and said "you English want to send us all home". Cavendish says that national and racial groups were not the basis for friendship groups, at least up to the strike, which she describes later in her work.

Rosemary, a 23-year-old Irish immigrant, shared a bed-sit with Doreen, another worker at the plant. She discussed Rosemary's attitudes to men both within the plant itself and outside with the male relatives and boyfriends.

Anna, a German woman in her fifties, had family who all worked at the plant. Her husband Frank drove a forklift truck. Some of the

in the same place." She reflects how "the solidarity gave you self confidence. I was much more outgoing than I'd been for ages".

She explains how the shape of the women's family lives outside the factory were a product of the material relations within it: the low wages, long hours and the need to earn money set very definite limits on the type of relationships that the women could experience. She says: "For them, living differently wasn't a practical possibility".

The women's embrace of the family model did not represent a conservative acceptance of bourgeois mores but was an adaptation to their particular circumstances. Indeed, "there was a tremendous amount of discussion about all these issues," but it was clear that "material circumstances quite beyond their control made family and children the most important things in their lives."

Paradoxically, Thatcher's destruction of UK manufacturing industry also did much to undermine the working class family.

The sexual division of labour in the factory was a source of great tension. The men were not "a homogenous group" but "from

appears crude and outdated, even though the concerns they relate to are still high on the political agenda."

Language fashions come and go, but the reality of unequal pay, patriarchal relations inside the workplace and the tyranny of the production line, all remain integral

to capitalist exploitation. It seems reasonable to conclude that Cavendish's, or rather Gluckmann's, distaste for the language of capitalist exploitation and feminism may have more to do with her now senior position within academia.

Bill Jefferies

Essex girls whose fight shook the unions up

MADE IN DAGENHAM

Dir. Nigel Cole / 2010

MADE IN Dagenham is the true and inspirational story of the 187 women machinists who decided to take on Ford's management at the Dagenham plant in 1968 and won.

The film opens as the women prepare to vote on their demand for a pay rise to bring their pay up to the same level as men doing similar work in the factory. The bosses had gone a step too far in regrading the women's pay to unskilled. The women vote for industrial action and the stage is set for a showdown that paved the way for the 1970 Equal Pay Act.

The women literally work in a sweat shop. They're in a section of the factory that's too hot in summer and leaky when it rains. It's a film in the "oo-er-missus" tradition that could have come straight out of Ealing in the 1960s. From the opening scene, in which the women have stripped down to their bras to combat the heat, you half expect Barbara Windsor pop up to take the lead role.

Sally Hawkins, not Barbara Windsor, plays the central role of Rita O'Grady, the reluctant strike leader, in her battles with the union bureaucracy and Ford management. Her performance is a portrayal of a growing confidence and political awareness. As the strike takes up more of her energies, tensions begin to simmer between her and

her at first supportive husband, Eddie, who finds a wife in the limelight, a kitchen full of dirty dishes and no cleaned and ironed shirts, more than he bargained for.

Events take the strikers over and Rita is soon addressing the TUC and marching on Parliament where the women are invited to a meeting with Barbara Castle. It is here that the film begins to play fast and loose with history. When Barbara Castle lends the women a sympathetic ear you could be excused for thinking she was on the side of strikers in general, not the architect of the white paper *In Place of Strife* that

tried to wrest away shop-floor power from the unions.

As well as being a film about risking everything for a fairer slice of the pie, it's also a subversive film about strikers who are not greedy or defeated. What an idea! Could there be anything less familiar in mainstream commercial cinema than the sympathetic story of a successful strike? In *Brassed Off* saving the colliery band is the key thing, the mine closure has been accepted. In *Billy Elliott* protecting Billy's future in ballet is the goal and the failure of the miners' strike is accepted. *Made In Dagenham* goes against this grain: the women achieve respect and win their strike as well!

The film is educational, inspiring and fun, the actions of the strikers commanded headlines, galvanised political debate and the strike was a milestone to the Equal Pay Act which was passed in 1970. It is particularly welcome in a climate where the media portrays virtually any strike as subversive and sabotaging of the public good.

If you go and see it wait for the credits as they include footage of the real Dagenham women who fought for a principle which is now a bedrock for all workplaces.

Linda Wilde

A film magazine that set the cinematic agenda

**CALLING THE SHOTS
THE RISE AND FALL OF
CAHIERS DU CINÉMA**

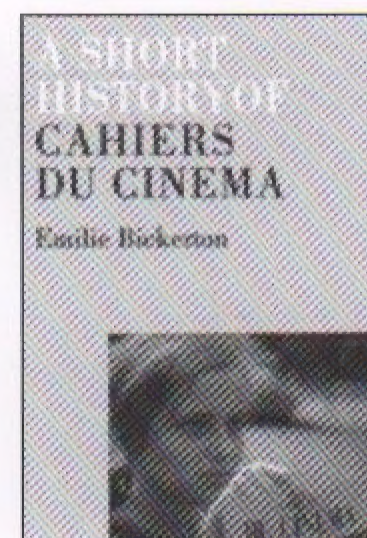
Emilie Bickerton

Verso / 2009 / £12.99

FOR LOVERS of film its most iconic advocate in print has always been *Cahiers du Cinéma*. Next year is this august journal's 60th anniversary, although as Emilie Bickerton's excellent history graphically demonstrates, *Cahiers* ceased to be a force to be reckoned with some 40 years ago.

Founded in 1951, it was in its turbulent and eventful first two decades that the magazine upturned established thinking about cinema and spawned a generation of film-makers whose impact on the medium itself was just as radical. By the 1970s both cinema and our way of thinking and writing about it retreated into a more conservative place as television gained the ascendancy and multinationals transformed the economics of the film industry.

It was *Cahiers'* first editor, André





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Bazin, who established the magazine's intellectual basis. But the "young Turks", including Jean-Luc Godard, François Truffaut and Eric Rohmer, took effective control in 1954. The patriotic and conservative media of France hailed the established French directors of the day, but the young reviewers at *Cahiers* were feasting on a flood of films from Hollywood following the lifting of the embargo on American cinema during the war.

They used the journal to espouse the virtues of a select group of

thrall to the old giants of Hollywood cinema. They were also less enamoured of what their predecessors were doing as well – *Cahiers* gave Godard's first film, *Breathless*, a measly two-star rating.

The magazine briefly returned to its founding principles under the leadership of Eric Rohmer who saw cinema as a fully fledged art form in its own right and used *Cahiers* to spearhead the goal of establishing cinema museums around the world, much to the disgust of Godard who had little time for setting the art

dwindling readership largely consisting of the already converted. In some issues, films barely got a mention at all. Now the talk was all of "the concrete analysis of concrete situations, the objective study of social relations, the breakdown of political mechanisms."

Directors who made films as they saw fit and not in accordance with *Cahiers* narrowly defined political edicts were entirely ignored. This included not only the rising generation of openly populist filmmakers like Spielberg and Lucas but also directors of international renown such as Fassbinder, Tarkovsky and Bergman.

When, in the mid-1970s yet another changing of the guard brought in editors more sympathetically disposed to mainstream cinema there was a sustained renaissance in sales but the longer term prognosis wasn't rosy. Where previously almost all cinema was loftily ignored now the opposite problem arose: a wide range of films and film makers gained equal billing, and with no clear critical standards to guide it the magazine ceased to serve much of a useful function at all.

Bickerton deftly places the demise of *Cahiers* in the context of what was happening globally from the 1980s onwards – the rise of TV and video meant that more times than not, films were consumed on the small screen; changes to the industry locked together under single ownership producers, distributors and the marketing industry until much of what we see today is what the money men wish us to see and almost no funds are directed towards filmmakers who wander off-message.

Still, encouragingly, others have moved to fill the space vacated by *Cahiers* – *Trafic* in particular reflects on cinema outside of market imperatives or academic norms. The advent of digital technology has made it cheap and easy to make, distribute and show films; the open question is whether there is a new breed of filmmakers ready to reinvent cinema as radically as the "young Turks" of *Cahiers* did.

David Boyer

If the establishment raised an eyebrow *Cahiers* nevertheless readily found a public. Monthly editions regularly sold 15,000 issues throughout the 1960s

"auteurs". Unlike a mere director an auteur was a filmmaker with a vision of the world enunciated through their "mise en scène", their "visual theme" or way they told a story. Therefore, one could discern a common thread throughout all or most of the films an auteur made, with each story line bent to his or her own purposes. To the consternation of conservative critics, candidates for this A list of directors included not only big European names like Renoir and Rossellini but also stateside directors commonly dismissed by the highbrow set as cheap purveyors of stock thrillers and B-movies: Alfred Hitchcock, Nicholas Ray and Howard Hawks among others.

If the establishment raised an eyebrow at this approach, *Cahiers* nevertheless readily found a public. Monthly editions regularly sold 15,000 issues throughout the 1960s. Its popularity only grew as audiences flocked to watch the astonishingly original films its erstwhile editors – now collectively known as the "New Wave" – were making. But as these "young Turks" largely departed the magazine to focus their efforts behind the camera, a new generation of editors took their place who were less in

form on a pedestal.

Godard had himself shifted sharply to the left and sided with a more politically radical Maoist faction at the journal which had little time for Rohmer's conservative preferences. It staged a coup and Rohmer, deeply hurt by his forced expulsion, dedicated himself entirely to film-making. As Bickerton rightly notes we have reason to be grateful for this given the quality of his work in the years since.

In its "red years" the magazine strayed into other disciplines: anthropology, literary theory and psychoanalysis. The best cinema was held to be confrontational, "taking people out of their cocoons" as the new editor Rivette put it. *Cahiers* sent its reviewers to seek out new cinema emerging from around the world and playing to small audiences in cine clubs. It grew in size too; one issue ran to 200 pages with all manner of contributors including doctors, novelists and anthropologists.

Now the films that found favour at *Cahiers* were deliberately focused towards a minority audience. The evangelists at the magazine zealously preached the virtues of films with tiny audiences to an ever

